

Suncorp Master Trust 1

Annual Report for the year ended
30 June 2016



Important disclosure

Suncorp Portfolio Services Limited (Trustee) (ABN 61 063 427 958, AFSL 237905, RSE Licence No L0002059) and Suncorp Life & Superannuation Limited (SLSL) (ABN 87 073 979 530, AFSL 229880) are related bodies corporate of Suncorp Group Limited (Suncorp) (ABN 66 145 290 124). The obligations of the Trustee are not guaranteed by any other company within the Suncorp Group. Except as otherwise stated, Suncorp and its subsidiaries do not guarantee the repayment of capital invested in or the investment performance of this product. This product is not a bank deposit or other bank liability and is subject to investment risk including possible delays in repayment and loss of the interest and principal invested.

About this Annual Report

This document was prepared on 2 November 2016.

The Trustee is the issuer of this Annual Report and takes responsibility for its contents. The information contained in this Annual Report is current as at the date of preparation but may be subject to change. The information is of a general nature only and does not constitute personal financial advice and must not be relied on as such. In preparing this material we have not taken into account your objectives, financial circumstances or needs. Before making a decision based on this information you should consider the appropriateness of the information, having regard to your objectives, financial circumstances and needs. Before deciding to open an account or continuing to hold an interest, you should read the relevant Product Disclosure Statement (PDS) and consider how the information contained in this Annual Report relates to your own situation. We recommend that before you make any decisions, you speak to an adviser who will be able to help you with your investment and insurance decisions. While we believe the information contained in this report to be correct at the date of publication, to the extent that information has been provided by a third party, no warranty of accuracy or reliability is given and no responsibility is accepted for errors or omissions (including negligence).

This Annual Report incorporates the following products which are part of the Suncorp Master Trust (Fund) (ABN 98 350 952 022, RSE Fund Registration No R1056655):

- Suncorp Superannuation Bond
- Suncorp Super Lifesaver
- Suncorp Superannuation Investment
- Superannuation Bonus (endowment and whole of life)
- Superannuation Term Life

As an investor in one of these products, you are a member of the Fund. SLSL provides administration services to the Fund.

This Annual Report is to be read in conjunction with your Annual Statement. Throughout this Annual Report, unless otherwise specified, references to:

- 'we', 'us', 'our' and 'Trustee' means Suncorp Portfolio Services Limited
- 'adviser' means a qualified financial adviser
- 'Insurer' and 'Suncorp Life' means Suncorp Life & Superannuation Limited
- 'Suncorp' means the Suncorp Group and is the group of companies including the Trustee, SLSL and related companies
- 'Fund' means Suncorp Master Trust
- 'you', 'your' and 'member' means a member of the Fund
- 'business day' means a Sydney business day other than a Saturday, Sunday or public holiday in Sydney.

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Your 2015/16 Annual Report

Dear Member,

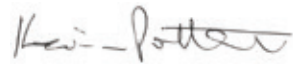
The past 12 months have been an exciting time for Suncorp as we welcomed a new CEO and saw Suncorp's superannuation business become part of a new Banking & Wealth division. Alongside these changes we've been working hard behind the scenes to simplify and improve our products and systems so that we can focus on providing superannuation products designed to be flexible and fuss-free, for our members.

The government proposed reforms to superannuation in the 2016/17 federal budget that aim to ensure that tax concessions reach the right people. The more significant changes include lowering the concessional and non-concessional contribution caps but adding the flexibility to carry forward unused concessional contribution caps for up to five years, and introducing a cap on the amount of money that can be transferred to pension. These changes still need to be approved by parliament, and most are proposed to be introduced on 1 July 2017. They're outlined in detail in this Annual Report.

Around half of all Australians worry about not having enough money when they retire.* I encourage you to take a bit of time to read this annual report and your annual statement to better understand how your retirement savings are tracking. If necessary, speak to your financial adviser for specific advice – or for more general information, you can speak to us. We're always happy to help.

Thank you for letting Suncorp look after your super.

Yours faithfully



Kevin Potter
Executive General Manager, Portfolio & Product
Suncorp Banking & Wealth

* Suncorp Life Attitudes to Superannuation survey, November 2015



Important changes to super

Changes to the duty of disclosure

On 28 June 2014 the Insurance Contracts Act (ICA) was amended updating an insurer's rights relating to misrepresentation or non-disclosure under section 29 of the ICA, if a member fails to meet their duty of disclosure.

On 1 July 2015, new rights were made available to the insurer for misrepresentation or non-disclosure by a member.

Further changes to the ICA became effective from 28 December 2015 which, among other measures, allow an insurer to treat a member's failure to comply with the duty of disclosure as a failure by the Trustee to comply with the duty.

Access to super upon terminal illness

Since 1 July 2015, members with a terminal medical condition can access their super if two medical practitioners (including a specialist) certify that they are likely to die within two years.

Please note that this change does not automatically apply to the insurance cover you may have in your super fund. You should check the terms and conditions of the cover which applies to you.

In the event that you are able to access your super balance in the circumstances outlined above, but a benefit under your insurance cover is not yet payable, you should ensure that you keep a sufficient balance in your super fund to pay insurance fees to maintain cover. For more information we recommend that you speak to your adviser.

Superannuation pension cap

The government has proposed that from 1 July 2017, a lifetime \$1.6m cap (called the 'transfer balance cap') will be introduced on the total amount of super an individual can transfer to start pensions.

Earnings on pensions will continue to be untaxed (other than transition to retirement pensions – see page 6). The \$1.6m can grow with earnings without restriction.

Existing pension balances above the \$1.6m cap at 1 July 2017 can be withdrawn or transferred to an accumulation account to avoid penalties. Amounts accumulated above \$1.6m can be maintained in an accumulation account where earnings continue to be concessional tax at 15%.

The cap will increase in line with the rate of inflation, in increments of \$100,000.

Concessional contributions cap

There are limits (also called 'contribution caps') on the amounts you can contribute to super in any one financial year. Where these caps are exceeded, penalties will apply.

Concessional contributions are contributions made before-tax and generally include those made by your employer or through salary-sacrifice and personal contributions for which a tax deduction is claimed.

Under current legislation, for the 2016/17 financial year, a concessional contribution cap of \$35,000 applies to individuals aged 49 or over on 30 June 2016, and \$30,000 for those aged under 49 years.

The government has proposed that from 1 July 2017, the annual concessional contributions cap will reduce to \$25,000, regardless of age. The cap will be indexed to the Average Weekly Ordinary Time Earnings (AWOTE), increasing in \$2,500 increments.

Catch-up concessional contributions

The government has proposed that from 1 July 2018, individuals with total superannuation balances under \$500,000, who have not fully used their concessional contributions cap in previous years, may carry forward their unused concessional contributions cap on a 5-year rolling basis.

Only unused amounts accrued from 1 July 2018 can be carried forward. Amounts carried forward that have not been used after 5 years expire.

Personal super contributions

The government has proposed that from 1 July 2017, all individuals up to the age of 75 will be able to claim an income tax deduction for personal superannuation contributions (currently this is limited to self-employed individuals and those who earn less than 10% of their income from employment).

This means that individuals under 75 years of age will be able to make personal deductible (concessional) contributions up to the concessional contributions cap regardless of their employment circumstances.

Non-concessional contributions cap

For the 2016/17 financial year, the non-concessional contribution (NCC) cap is \$180,000 per annum (or \$540,000 over 3 years for individuals under age 65).

The government has proposed that effective from 1 July 2017:

- the non-concessional contribution (NCC) cap will be \$100,000 per annum (or \$300,000 over 3 years for individuals under age 65).
- individuals with a total superannuation balance of more than \$1.6 million will be unable to make non-concessional contributions.

Higher tax on contributions for high income earners

The government has proposed that from 1 July 2017, individuals earning more than \$250,000 pa will pay an additional 15% tax (total of 30%) on concessional contributions.

Currently the additional tax only applies to those earning more than \$300,000 pa.

Low-income superannuation tax offset (LISTO)

The government has proposed that a low income superannuation tax offset (LISTO) will refund tax paid (up to \$500) on concessional contributions made by individuals with income up to \$37,000 pa from 1 July 2017. It will automatically be paid into the member's superannuation account as a tax offset.

If approved, this will replace the low income super contribution (LISC) when it is removed from 1 July 2017.

Spouse superannuation tax offset

An individual can make superannuation contributions on behalf of their low-income/non-working spouse and claim a tax offset for the contributions. The offset is available if the receiving spouse has income up to \$13,800. The government has proposed that this threshold will be increased to \$40,000 from 1 July 2017.

Government co-contributions

If you make a personal contribution from 'after-tax' money (that's money you've paid income tax on i.e. your take-home pay), you may be eligible to receive an additional contribution into your account from the Government. This is known as the Government co-contribution. If you earn less than \$36,021 (in the 2016/17 financial year) and you make \$1,000 in after-tax contributions, the Government will automatically contribute the maximum \$500 to your retirement savings.

The Government's co-contribution amount decreases for those on higher incomes, but you can still benefit from the co-contribution scheme if you earn less than \$51,021 in the 2016/17 financial year.

Lost and unclaimed super

The Government has proposed that from 1 July 2016 they will implement a package of measures that will reduce red tape for super funds and individuals by removing redundant reporting obligations and by streamlining lost and unclaimed super administrative arrangements. If the changes go ahead in part or in full, they will make it easier for individuals to be reunited with their lost and unclaimed super.

Unclaimed money

The lost member small account threshold is being increased in two stages, from \$2,000 to \$4,000 on 31 December 2015, which is in place, and then to \$6,000 on 31 December 2016 (this is legislated). This means account balances for members meeting the definition of a 'lost member' or unclaimed money will be transferred to the ATO. The intent of this policy is to protect the balances of small accounts from erosion by fees. You can find more information on unclaimed money in the 'Other important information section' of this Annual Report.

Anti-detriment payments

An anti-detriment payment is a refund of tax on contributions paid by the deceased member. It may be included in death benefits paid to certain eligible beneficiaries (e.g. spouse or child).

The government has proposed that from 1 July 2017, the ability to make an anti-detriment payment will be removed.

TTR earnings taxed

The government has proposed that from 1 July 2017, earnings on investments held in transition to retirement (TTR) pension accounts will be taxed at 15% (currently 0%).

A TTR pension is available to commence with superannuation money once an individual reaches their preservation age (55-60 depending on date of birth), but have not fully retired. Once fully retired (or upon meeting another condition of release), it is expected that earnings on investments will then be taxed at 0%.

Other important information about your super

Superannuation guarantee contribution rate

The Superannuation Guarantee (SG) rate was increased to 9.5% from 1 July 2014, at which rate it currently remains. The SG rate will gradually increase to 12% of your ordinary time earnings.

The rate of increase to the SG rate is shown in the table below.

Period	SG rate
1 July 2014 – 30 June 2021	9.50%
1 July 2021 – 30 June 2022	10.00%
1 July 2022 – 30 June 2023	10.50%
1 July 2023 – 30 June 2024	11.00%
1 July 2024 – 30 June 2025	11.50%
1 July 2025 and later	12.00%

Generally, you're entitled to SG contributions from your employer if you're aged 18 or older and paid \$450 or more (before tax) in a month. It doesn't matter whether you're working full time, part time or as a casual, and it also doesn't matter if you're a temporary resident of Australia.

Stronger Super

The Federal Government has introduced a package of super reforms known as 'Stronger Super', aimed at strengthening the governance, integrity and regulation of the superannuation system.

SuperStream

SuperStream, a key aspect of the Stronger Super reforms, is a package of measures designed to enhance the 'back office' of superannuation. These measures are designed to improve the productivity of the superannuation system and make the system easier to use.

The SuperStream reforms include measures to implement new data and e-commerce standards for superannuation transactions, which will allow for more automated and timely processing of transactions.

Investments

Investment objective and strategy

The Trustee offers a number of super products under the Fund. These products range from risk-only insurance policies (e.g. term life insurance) to super investment policies. Your benefits and entitlements under the Fund will depend on the policy you've chosen. This information is contained in your Policy document (where applicable) and also appears each year in your Annual Statement.

Suncorp Superannuation Bond and Suncorp Super Lifesaver members

The assets of the Fund are invested entirely in individual life policies with Suncorp Life.

Suncorp Superannuation Investment, Superannuation Bonus (endowment and whole of life) and Superannuation Term Life members

The assets of the Fund are invested entirely in the Suncorp Capital Guaranteed Fund No. 1 issued by Suncorp Life.

Suncorp Life currently invests in trusts issued by Suncorp Funds Pty Ltd (ABN 96 153 008 354) (SFPL).

If you became a member of the Fund as a result of purchasing Suncorp Superannuation Term Life Insurance, you are entitled to benefits under life insurance policies held by the Trustee.

The insurance fee that you pay for Suncorp Superannuation Term Life Insurance is a contribution to the Fund. The payment of a benefit by the Trustee must comply with super legislation. If the Trustee can't pay a benefit because of super legislation, your benefit may need to be transferred to another complying super fund.

We don't take labour standards, environmental, social and ethical considerations into account when selecting, retaining or terminating investment options.

Changes to your investment options

From time to time, investment options may be closed, suspended or terminated by an external investment manager or by us. This may happen where:

- the investment option is no longer offered by the investment manager,
- the total amount of investor's money in the investment option has grown too large for the investment manager to continue with its current investment strategy,
- laws change so that some investment types are no longer permissible,
- we determine that it's in the best interests of the members, or
- the investment option may no longer be economically viable.

If an investment option is closed, suspended or terminated, this may cause delays in processing withdrawals and transfer requests. This delay may be more than 30 days and the unit price used to process your transaction may differ from the price applicable on the day you lodged your request.

Where an investment option is closed, suspended or terminated, we'll write to you in advance (where possible) to notify you of this change. You'll then be able to review your strategy with your adviser. Where we're unable to tell you in advance, we'll determine a replacement option (one that is comparable to your investment option) in which to invest your money until you've been able to review your investment strategy.

Related companies

We, SFPL, Suncorp Corporate Services Pty Ltd (ABN 69 074 966 466) and Suncorp Life are part of the Suncorp Group.

We don't deal with our related companies more favourably than we would with any other service provider.

Standard Risk Measure

The Standard Risk Measure (SRM) is a calculation we do to help make it easier for you to compare the riskiness of investment options. Technically, it tells you how many negative annual returns an investment option can be expected to deliver over any 20 year period.

The SRM is not a complete assessment of all forms of investment risk. For instance, it doesn't detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. Further, it doesn't take into account the impact of the administration fee or any part of the management fee that is not paid to an investment manager, and tax on the likelihood of a negative return.

You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment option(s).

You can find more information on the methodology we use to calculate the SRM, and a SRM for all of our investment options, in the 'Understanding Investment Risk Flyer' on our website.

The actual measure for each investment option can change at any time, for example because of market conditions, so you should always check the most up-to-date information before you make a decision.

Change in asset allocation

Investment option		
Suncorp Traditional Conservative Fund ¹	Strategic asset allocation (%)	Range (%)
Cash	29.0	10-50
Australian fixed interest	16.0	0-40
International fixed interest	17.0	0-40
Unlisted property	0.0	0-15
Australian listed property	4.0	0-15
Australian shares	17.0	10-30
International shares	17.0	10-30

Investment option		
Suncorp Traditional Growth Fund ¹	Strategic asset allocation (%)	Range (%)
Cash	11.0	0-40
Australian fixed interest	3.0	0-20
International fixed interest	4.0	0-20
Unlisted property	0.0	0-20
Unlisted infrastructure	5.0	
Australian listed property	5.0	0-15
International listed property	4.0	0-15
Australian shares	32.0	20-50
International shares	36.0	20-50

¹ SLSL may depart from the allocations and ranges.

How investment performance is calculated

Suncorp Capital Guaranteed Fund No. 1 and No. 4

The declared interest rates for both of these Suncorp Capital Guaranteed Funds are determined based on several factors, including:

- the investment income received after an allowance for tax, including both realised and unrealised capital gains and losses,
- transfers to and from reserves in order to smooth returns over time and provide for guarantees,
- issuer and investment fees,
- expenses such as brokerage, stamp duty, taxes, levies, and
- expenses incurred in managing the assets.

Suncorp Capital Guaranteed Fund No. 1

Suncorp Life declares interest rates in arrears for this investment option at 30 June each year. Interest is calculated on the daily account balance and credited to your account on 30 June each year.

We use an interim interest rate to calculate interest on full withdrawals made before the interest rate is declared (including full switches to another investment option). The interim rate can be changed by Suncorp Life at any time and will apply from the previous 1 July. The final declared rate on 30 June may be less than the interim rate that has applied during the past year.

Suncorp Capital Guaranteed Fund No. 4

Suncorp Life will declare interest rates for this investment option in advance and has the discretion to vary the declared rates from time to time. The existing declared rates will remain effective and accrue on a daily basis until a new interest rate is declared.

An investment in either of these investment options (Suncorp Capital Guaranteed Fund No. 1 and No. 4) provides a participating benefit. This means that the profits arising in respect of these investment options are allocated 80% to members and 20% to Suncorp Life as shareholder.

What is guaranteed?

Suncorp Life guarantees the capital value of your investment in the Suncorp Capital Guaranteed Funds (No. 1 and No. 4). The capital value is the amount you've invested and earnings that have been credited to your account at the rate declared at 30 June each year.

Your capital value can still decrease as a result of benefit payments, transfers out, contribution tax and other fee deductions.

Suncorp Life reserves the right to limit the amount invested from time to time in all of these investment options. Please ask your adviser or call us prior to investing to confirm whether any limits are in place.

For all other investment options

Investment performance is generally calculated net of the applicable investment fee, tax and the maximum issuer fee. Please note that if you're eligible for a lower issuer fee, the returns applicable to your account will be higher.

However, when calculating investment performance, we generally don't take into account contributions tax, entry fees, deferred entry fees, exit fees and any discretionary ongoing fees such as insurance fees and adviser service fees. If we calculate the investment performance for an investment option in a different way to this method, we'll include an explanation of how the investment performance has been calculated in the investment performance report which is on our website. If the web is not for you, you can get a copy of the report by calling us.

You should be aware that the investment performance information for the investment options may differ from the performance of the underlying investment managers. This may be due to:

- holding some assets in cash or short-term securities for liquidity purposes
- provisions for tax and distribution of tax credits
- a lag between when the underlying investment managers report their performance and when the value of the underlying investment option is reflected in the unit prices
- the fees and charges that apply.

Investments exceeding 5%

As at 30 June 2016, the following investments exceeded 5% of the total assets of your division of the Fund¹.

Investment	Percentage
Suncorp Life & Superannuation Limited Insurance policies	100%

¹ The Fund is made up of divisions, so assets are shown as a percentage of the relevant division.

Use of derivatives

Derivatives are securities that derive their value from another security. Commonly known derivatives include futures and options. We and underlying investment managers for your investment option(s) may use derivatives. Please note that the investment strategy of each investment option doesn't allow the use of derivatives for speculation or gearing purposes. You can find out more about the investment objectives, strategy or investment style for a particular investment option in the PDS or by calling us.

From time to time we may use cash proceeds from terminating investment options to purchase derivatives, such as futures, for transition management purposes if permitted by law and it is consistent with the Fund's investment strategy. However, we won't use derivatives for gearing or speculative purposes. We may, for instance, purchase derivatives where we undertake the termination of an investment option, with the proceeds deposited into cash temporarily. The aim of using derivatives in these circumstances would be to help reduce the risk of members' money in the Fund missing out on market returns during the period in which their funds are held in cash. Markets go up and down, so there is a risk the value of your investment may decrease.

Investment fee

The investment fee is payable to the investment managers of the investment options you choose. This fee is included in the daily unit price calculation for each investment option or when the rate is declared for the Suncorp Capital Guaranteed (No. 1 and No. 4) Funds. The investment fee depends on the investment option(s) you select. They range from 1.20% pa to 1.25% pa. If your Suncorp Superannuation Bond or Suncorp Super Lifesaver policy commenced prior to 1 July 1992, the investment fee on your investment in the Suncorp Capital Guaranteed Fund No. 1 is 5% of its yield. You can find the latest investment fees in the investment performance report available on our website or by calling us.

Indirect cost ratio (ICR)

This ratio is the total of the indirect costs of an investment option to the total average net assets of the Fund attributed to the investment option. Indirect costs are any amount that will reduce the return on an investment option that is not charged to you as a fee. It is an additional cost to you.

Buy-sell spreads

You may incur a buy-sell spread when you make contributions, withdraw or change your investment options. This 'spread' is the difference in the buying price and selling price of the investment option, and generally covers the transaction costs of buying and selling the underlying assets of that investment option. It ensures that non-transacting members aren't disadvantaged by the activity of transacting members. The spread isn't a fee paid to us or the investment manager. It is retained within the underlying investment option to cover these transaction costs.

Either the investment manager or us may vary the buy-sell spread costs from time to time including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed in our monthly investment options performance reports available on our website.

Performance based fees

This fee is only charged by some investment managers for certain investment options when they outperform their stated benchmarks. It's an additional amount to the investment fee. As this is an expense of the Fund, any performance fee payable will be passed onto you without notice.

We strongly recommend that you have the updated performance fee information before you make an investment decision.

Investment performance

The following table shows the performance of each investment option for the last five years as at 30 June. Returns are net of some fees and taxes. For more information on how performance is calculated, please see page 11.

Investment performance reports are available by calling us.

Suncorp Personal Superannuation

Investment options	Investment returns (%) for the year ended 30 June					5 year compound average return to 30 June 2016 (% pa)
	2016	2015	2014	2013	2012	
Super Bond, Super Lifesaver (Policies commencing after 1/7/92) & Super Bond Plus						
Suncorp Capital Guaranteed Fund No. 1	3.80	5.95	8.93	2.90	4.70	5.54
Suncorp Capital Guaranteed Fund No. 4	3.80	3.47	6.73	3.00	4.60	4.58
Suncorp Traditional Conservative Fund	3.29	7.46	8.28	9.45	3.77	6.40
Suncorp Traditional Growth Fund	3.08	12.14	13.41	17.36	0.48	9.06
Super Bond & Super Lifesaver (Policies commencing before 1/7/92) Super Saver Plus & Senior Saver Plus						
Suncorp Capital Guaranteed Fund No. 1	4.75	5.32	9.82	3.90	5.61	6.46

Past performance should not be taken as an indicator of future performance.

Asset allocation

The following table provides the asset allocation (%) for each investment option for 2015 and 2016 as at 30 June. Amounts may not add up to 100% due to rounding.

Suncorp Personal Superannuation

Investment options	Cash		Australian fixed interest		International fixed interest		Australian shares		International shares		Property		Other	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Suncorp Personal Superannuation														
Suncorp Capital Guaranteed Fund No. 1	60.0	72.3	10.1	10.0	5.4	-	8.0	8.7	8.0	9.1	2.2	-	6.3	-
Suncorp Traditional Growth Fund	9.9	15.2	3.1	2.9	4.2	4.1	32.8	32.1	35.6	36.8	9.2	8.9	5.3	-
Suncorp Traditional Capital Stable Fund	28.0	28.2	16.6	16.4	16.8	17.3	17.3	16.7	17.3	17.4	4.0	4.0	-	-
Suncorp Capital Guaranteed Fund No. 4	54.8	59.6	35.8	34.5	1.6	-	2.5	3.0	-	-	3.1	2.9	2.2	-

'-' there was no allocation to this sector.

Current investment managers

The investment manager offering investment options as at 30 June 2016 is:

- Nikko AM Limited
- QJC Limited.

The investment manager may be changed and/or other investment manager(s) added from time to time.

Other important information

Delays in withdrawing or switching your benefits

The closure, suspension or termination of an investment option by an investment manager may cause delays in processing your withdrawal request. This delay, which may exceed (the maximum) 30 days within which a withdrawal request must be processed, may arise where the investment option can't be converted to cash within the period or it can but not without significantly impacting the value of the investment. You should consider this before selecting or changing your investment options.

Please note that 30 days notice should be provided to us if you wish to switch or withdraw more than \$250,000.

Unit pricing delays

We may suspend unit pricing where in our opinion:

- a significant event or incident occurs that has the potential to affect investment markets,
- an event occurs that has the potential to affect unit prices,
- an external investment manager closes the underlying investment to applications and withdrawals, or
- the unit prices calculated have the potential to prejudice specific investors.

Other fees and costs

We may, to the extent permitted by law, deduct investment costs either from the assets of the Fund or directly from members' accounts by selling units to cover:

- costs incurred in buying, selling and valuing assets,
- federal and state taxes, duties, charges, levies, and
- costs incurred in obtaining investment advice.

In addition to the above, any expenses which are properly incurred by the Trustee in managing and administering the Fund (such as investment monitoring, audit and legal fees etc.) together with any statutory charges and lodgement fees applicable under Government legislation, may be deducted from the assets of the Fund.

To understand all of the fees payable in respect of your investment in an investment option, you should consider both the PDS and the relevant investment manager's PDS.

Payable compensation amounts

In the event that compensation is payable in certain circumstances for a member who has exited the fund or is deceased, and that amount is less than \$20, it will be returned to the Fund unless otherwise requested from the Trustee. When such amounts are payable, we will put a notice in the relevant annual report and on our website.

Requests for information

Your Annual Report provides you with financial and investment information to help you understand your super and your membership in the Fund. The Trust Deed, superannuation law and the life insurance policy taken out by the Trustee set out your rights and entitlements.

You can request a copy of the following documents by calling us:

- Trust Deed
- Policy documents
- Financial statements.

We may charge a fee to cover the cost of providing copies of some of these documents.

We welcome your feedback

If you have any feedback – we'd like to hear from you. You can find details on how to contact us on the back cover. This also includes any issues or complaints you may have. We make every effort to ensure your complaints are resolved satisfactorily and quickly.

However, if your complaint isn't answered within 90 days, or you're not satisfied with the way it was handled, you may take your complaint to the Superannuation Complaints Tribunal (SCT).

The SCT is an independent tribunal set up by the Government to help with the resolution of super complaints.

Mail Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001

Phone 1300 884 114

We're also a member of the Financial Ombudsman Service Australia (FOS). You can generally refer complaints outside the SCT's authority to FOS. Our member number is 11123.

Mail Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001

Phone 1800 367 287

It's important we don't lose contact with you – lost members

We're required to report all 'lost members' to the ATO, which keeps a lost member's register. That's why it's important that you keep us up to date with your current address at all times.

You'll be considered a lost member if:

- we receive one piece of returned mail from your last known address, we haven't had any contact with you, and we haven't received a contribution or rollover from you for 12 months, or
- you are an inactive member - you must have joined the fund for more than two years and we have not received any contributions or rollover amounts from you for the last five years, or you transferred from another super fund as a lost member.

Any applicable fees and insurance fees will continue to be deducted from your account whilst we have lost contact with you, and we may transfer the remainder of your account balance to an eligible rollover fund. For more details please see 'Eligible rollover fund' below.

Unclaimed amounts transferred to the ATO

An account balance will be paid to the ATO as unclaimed monies if:

- you're aged 65 or over, we haven't received any amounts for two years and we've been unable to contact you again (after making reasonable efforts) after five years since our last contact, or
- following a relationship breakdown, we are unable to ensure that a non-member spouse receives their entitlement after making reasonable efforts to contact them and after a reasonable time has passed.

An account balance will also be paid to the ATO if:

- you're a 'lost member', and
 - your account balance is less than \$4,000 (to be increased to \$6,000 from 31 December 2016), or
 - we haven't received any amounts for 12 months (and it is not possible to pay an amount to you).

The ATO may instruct us to transfer the benefits of temporary residents to the ATO if:

- a temporary resident has left Australia, and
- their temporary visa expired/ceased more than six months prior.

If we're instructed to transfer your benefits to the ATO, your account will be closed. We're not required to issue an exit statement under these circumstances, as it's unlikely to reach you. We rely on relief from the Australian Securities and Investment Commission (ASIC) not to provide exit statements or notify you in these circumstances. Once your benefit is transferred to the ATO, it can only be accessed if you meet a 'condition of release'.

Any person (including a former temporary resident) who has a claim to a benefit will then need to contact the ATO.

Accounts without balances

Your account may be closed by us, by the end of a financial year, if you have not made any transactions on your account for that year and either of the following has occurred in the prior financial year:

- you opened an account with a zero account balance with us in the previous financial year and never transacted on it, or
- your account balance is exhausted due to ongoing fees in a previous financial year.

We may not provide a periodic statement in this situation as your account will not have any transactions to report on over this period and your account would have been closed. Should you still wish to hold an account after that point, you will need to open a new account with us.

If you have insurance cover attached to your superannuation account, you will not be impacted by this change. You will continue to receive a lapse notice in sufficient time to contribute to your account and continue your insurance cover.

Eligible rollover fund

If we lose contact with you or your account balance falls below \$1,200 we may transfer you to an eligible rollover fund (ERF). If your account is transferred to the ERF, you'll no longer be a member of the Fund and any insurance cover you have will stop. We've selected the Australian Eligible Rollover Fund as our ERF (which can change at any time without notice). You can contact them at:

Mail The Plan Administrator
 Australian Eligible Rollover Fund
 Locked Bag No 5429
 Parramatta NSW 2124

Phone 1800 677 424

Trustee indemnity

Under the Trust Deed, except in the case of fraud, breach of trust or duty, or wilful neglect, the Trustee has the right to be indemnified out of the Fund's assets for all liabilities it may incur. The Trustee has appropriate professional indemnity insurance.

Bankruptcy and super

A trustee in bankruptcy can recover certain super contributions made after 28 July 2006 if they are made with the intention to defeat creditors. Therefore, if we receive the relevant notification, we may be forced to freeze super benefits. If contributions are recovered by the trustee in bankruptcy under these provisions, we have no obligation to repay fees, charges or taxes applicable to those contributions.

Trans-Tasman portability

Under the Trans-Tasman portability scheme arrangement, we are able to transfer your entire* super account balance from Australia to a New Zealand KiwiSaver scheme provided certain pre-conditions are met. For example, we have to be satisfied that you have emigrated permanently to New Zealand, you already have a KiwiSaver scheme account and that scheme is willing to accept the transfer. Other conditions also apply. Please note that we don't currently accept transfers from KiwiSaver scheme accounts. Please see our website suncorp.com.au/super for more information.

* Partial transfers are not permitted.

Privacy

We appreciate that privacy is important to you, our Privacy Statement is available at suncorp.com.au/privacy. Please also refer to the Suncorp Group Privacy Policy at suncorp.com.au/privacy.

Superannuation Prudential Standards

As part of the Government's Stronger Super Reforms superannuation prudential standards have been introduced by APRA for the purpose of strengthening the governance, integrity and regulatory settings of the superannuation system for APRA-regulated superannuation funds.

The Trustee has implemented these standards.

Australian Prudential Regulation Authority (APRA) Levy

APRA imposes a levy on the Trustee, a proportion of which will be recouped from your underlying investments on a monthly basis. The levy is set by APRA and may change each year, for the year ending 30 June 2016 this levy was 0.013%. For the year ending 30 June 2017 this levy should be no more than 0.012%. As the APRA levy is an expense of the Fund any variation to the APRA levy will be passed onto you without notice. Please see our website suncorp.com.au/super for more information.

Intra-fund Consolidation

By law, each year we are required to identify any members with multiple accounts and assess whether it's in their best interest to consolidate their accounts. For example, we may consolidate accounts where it would result in a member paying lower fees. As part of this process, we'll consider a number of factors and write to any members who are impacted before we consolidate any accounts. You can find more information on our Intra-fund consolidation process by visiting suncorp.com.au/super and following the links to 'employer' and 'your responsibilities'.

Financial information

Reserves

A reserve is an unallocated sum of money over and above the amount necessary to back the accumulated account balances of members.

Movement in reserves

The following table shows the level of and movement in the reserves of the Fund as at 30 June 2016.

Suncorp Master Trust

Movement in reserves for the year ended 30 June	2016 \$'000	2015 \$'000	2014 \$'000
Balance at beginning of year	1,193	2,024	3,251
Income / (expenses) not allocated to members during the year:			
Income tax surplus	5,447	6,350	6,086
Bank interest	609	606	290
Other Income	1,030	927	145
Bank charges	(107)	(158)	(70)
Trustee reimbursements	(751)	(1,810)	(2,242)
Administration Fees	(6,466)	(6,746)	(5,436)
Balance at end of year	955	1,193	2,024

Management of reserves

The reserve will receive amounts not allocated to members accounts and will be used for purposes that the Trustee considers suitable.

The Trustee can also use the reserve account to hold any taxes deducted from members accounts. These amounts are then used to pay the Fund's liabilities as they fall due.

Abridged financial information

The following table shows the abridged financial information of the Fund for the year ended 30 June 2016. A copy of the audited financial report and the auditor's report will be made available to members on request after 31 October 2016. This information takes into account all the divisions within the Fund.

Suncorp Master Trust

Abridged Statement of Financial Position as at 30 June	2016 \$'000	2015 \$'000
Assets		
Cash and cash equivalents	59,547	40,682
Investment securities	6,772,918	6,682,436
Receivables	22,326	29,923
Deferred tax assets	-	31
Total assets	6,854,791	6,753,072
Liabilities		
Benefits payable	6,932	14,460
Other payables	33,157	29,106
Current tax liabilities	13,771	5,068
Deferred tax liabilities	6,252	-
Total liabilities	60,112	48,634
Net assets available to pay benefits	6,794,679	6,704,438
Liability for accrued benefits		
Vested benefits	6,793,724	6,703,245
Amounts not yet allocated	955	1,193
Total accrued benefits	6,794,679	6,704,438

Suncorp Master Trust

Abridged Operating Statement for the year ended 30 June	2016 \$'000	2015 \$'000
Investment income		
Interest	2,542	3,097
Distributions from unit trusts	150,484	12,824
Movements in net market value of investment securities	119,656	577,503
Total investment income	272,682	593,424
Contributions revenue		
Employer contributions	349,073	352,200
Members' contributions	120,182	140,720
Transfers from other funds	311,320	297,560
Other contributions	4,299	3,955
Total contribution revenue	784,874	794,435
Other revenue		
Group insurance proceeds	47,455	37,034
Other rebates	514	4,129
Total other revenue	47,969	41,163
Total revenue	1,105,525	1,429,022
Expenses		
General administration expenses	(81,617)	(77,460)
Group life expenses	(138,735)	(131,559)
Other expenses	(4,596)	(5,196)
Total expenses	(224,948)	(214,215)
Benefits accrued as a result of operations before income tax	880,577	1,214,807
Income tax expense	(43,528)	(27,709)
Benefits accrued as a result of operations	837,049	1,187,098
Liability for accrued benefits		
Liability for accrued benefits at the beginning of the financial year	6,704,438	6,369,081
Benefits accrued as a result of operations	837,049	1,187,098
Benefits paid or payable	(746,808)	(851,741)
Liability for accrued benefits at the end of the year	6,794,679	6,704,438

How to contact us:



**GPO Box 1453
Brisbane QLD 4001**



13 11 55 and select option 4

www suncorp.com.au/super

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