

Suncorp Superannuation
Bond

Suncorp Super Lifesaver

Suncorp Superannuation
Investment

Superannuation Bonus
(endowment and whole of life)

Superannuation Term Life

Annual Report for the year ended
30 June 2018

Important disclosure

Suncorp Portfolio Services Limited (Trustee) (ABN 61 063 427 958, AFSL 237905, RSE Licence No L0002059) and Suncorp Life & Superannuation Limited (insurer) (ABN 87 073 979 530, AFSL 229880) are related bodies corporate of Suncorp Group Limited (Suncorp) (ABN 66 145 290 124)¹. The obligations of the Trustee and the insurer 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.

¹ Suncorp Life Holdings Limited ABN [87 073 979 530], a related body corporate of Suncorp, has entered into a share sale deed with TAL Dai-ichi Life Australia Pty Ltd ABN [97 150 070 483] (TAL) to sell its shareholding in Suncorp Life. The transaction is expected to complete around 28 February 2019 although that may change. If the sale does proceed, Suncorp Life will cease to be part of the Suncorp Group of companies and a related body corporate of SPSL or of any other Suncorp Group entity at the date of completion.

About this Annual Report

This Annual Report was prepared on 12 December 2018.

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 preparation, 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.

Insurance cover offered through the products listed above is provided by the insurer in a policy issued to the Trustee. This policy is a non-participating policy. As a result, you do not have any right to any surplus in the statutory 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’ mean Suncorp Portfolio Services Limited
- ‘insurer’ and ‘Suncorp Life’ mean Suncorp Life & Superannuation Limited
- ‘adviser’ means a qualified financial adviser or your plan’s adviser for employer-sponsored members
- ‘Fund’ means Suncorp Master Trust
- ‘you’, ‘your’ and ‘member’ mean a member of one of the Suncorp super products listed above.
- ‘business day’ means a business day other than a Saturday, Sunday or public holiday in Sydney.

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Your 2017/18 Annual Report

Dear member,

The 2017/18 financial year has been a busy time for many Australians and I trust this report finds you healthy and fulfilled.

During this period, superannuation has continued to attract considerable legislative change, with further changes proposed for FY18/19. You can find information about these changes and proposals inside this report.

Suncorp has also contributed submissions to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. Suncorp supports the Royal Commission and any measures which will improve outcomes for you, because we believe our members deserve an honest and transparent superannuation system. We don't always get things right, there is room to improve, and we remain focused on evolving with the changing environment to meet the expectations of our superannuation members and regulators.

The importance of super to the lives of Australians can't be underestimated, with super generally being one of people's most important financial assets. So, I encourage you to take some time to read this Annual Report and your annual statement to better understand how your retirement savings are tracking. 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 trusting us with your superannuation.

Yours sincerely,



Kathryn Eisenreich
Head of Wealth

Important changes to super during the year

Concessional contributions cap

There are limits (also called 'contribution caps') on the amounts you can contribute to super in any one financial year. The concessional contributions cap is the limit on concessional superannuation contributions you make which are included in the assessable income of the fund and taxed at a concessional rate of 15%.

The concessional contributions cap was reduced to \$25,000 from 1 July 2017.

Concessional contributions are superannuation contributions made before-tax and generally include those made by your employer (such as Super Guarantee and contributions made under a salary sacrifice arrangement) and personal contributions for which a tax deduction is claimed.

Catch-up concessional contributions

From 1 July 2018, if you have not fully used your concessional contributions cap in previous years, you may carry forward these unused amounts for up to 5 years.

From 1 July 2019, you can make additional concessional contributions on top of the standard annual cap using these unused amounts, provided your total superannuation balance is under \$500,000.

Amounts carried forward that have not been used after 5 years expire.

Personal super contributions

Individuals between the ages of 18 to 65, (and those aged under 18, and 65 to 74 who meet the income and work tests) can claim a tax deduction for their personal superannuation contributions up to the concessional contributions cap of \$25,000.

Higher tax on contributions for high income earners

If you earn more than \$250,000 pa you will pay an additional 15% tax (total of 30%) on concessional contributions.

Non-concessional contributions cap

The annual non-concessional contributions (NCC) cap is \$100,000. If you are under age 65 for at least one day in the current financial year, and your total superannuation balance is under \$1.6 million, you can bring forward two years' worth of annual NCCs.

If you have a total superannuation balance of more than \$1.6 million, you will be unable to make non-concessional contributions.

Transitional bring forward cap

If you triggered the bring forward cap in 2015/16 or 2016/17 (by making a non-concessional contribution greater than \$180,000), and did not fully use your bring forward amount before 1 July 2017 (ie you did not contribute \$540,000 before 30 June 2017), the remaining bring forward amount available is reduced.

Bring forward triggered in 2016/17

The transitional bring forward cap is \$380,000 (ie the annual cap of \$180,000 for 2016/17 and \$100,000 cap for each of 2017/18 and 2018/19).

Low-income superannuation tax offset (or LISTO)

A low-income superannuation tax offset (also referred to as LISTO) refunds tax paid (up to \$500) on concessional contributions made if your income is under \$37,000 pa. It will automatically be paid into your superannuation account as a tax offset.

Spouse super tax offset

You can make superannuation contributions on behalf of your 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 \$40,000 pa.

Government co-contributions

If you make a personal contribution from 'after-tax' money (that's money you've paid income tax on ie 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 \$36,813, 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 \$51,813.

Lost members and unclaimed super money

Currently under superannuation law, all super account balances under \$6,000 for members meeting the definition of a 'lost member' and '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 lost members and unclaimed money in the 'Other important information' section of this Annual Report.

Transition to retirement (or TTR) earnings tax

Earnings on investments held in transition to retirement (TTR) pension accounts are taxed at 15%. A TTR pension is available to commence with superannuation money once you reach preservation age (depending on date of birth), but have not fully retired. Once fully retired (or upon meeting another condition of release e.g. attaining age 65), earnings on investments will then be taxed at 0%.

First home super saver scheme

From 1 July 2018, first-home buyers will be allowed to withdraw voluntary contributions made to super since 1 July 2017 for a home deposit. Up to \$15,000 of voluntary contributions made each year will count towards the amount that can be withdrawn, which will be limited to \$30,000 plus an earnings amount per person.

Over age 65 downsizers non-concessional contributions

From 1 July 2018, those over the age of 65 who downsize will be able to make a non-concessional superannuation contribution of up to \$300,000 on the sale of their principal home. A person is only eligible if they have owned their main place of residence for a minimum of 10 years.

Superannuation pension cap

There is a lifetime cap (called the 'transfer balance cap') on the total amount of superannuation that can be transferred to start pensions. The transfer balance cap is \$1.6 million in 2017/18. The cap does not apply to investment earnings on pensions so your savings can grow without restriction. The cap will increase in line with the rate of inflation, in \$100,000 increments.

Amounts accumulated above the cap can be maintained in an accumulation account where earnings continue to be concessional tax at 15%.

Fee disclosure

Since 30 September 2017, super funds have been required to change the way some fees are disclosed in Product Disclosure Statements (PDS). When we apply an administration fee to your account, and if we are eligible for an income tax deduction, then we pass that on by reducing the fee before it hits your account. Previously, we have disclosed the net fee in the PDS, however, we now must disclose the gross fee. There's also been changes to the way investment fees are disclosed with new requirements to specify the indirect costs of underlying investments.

Federal Budget proposals

The Government announced a number of changes to superannuation in the Federal Budget handed down in May 2018. While many of the announcements have not been legislated, below is an overview of the proposals. If you have any questions about these proposals, and how they might impact you, we recommend you speak to your financial adviser.

Inactive super accounts

From 1 July 2019, it is proposed that all inactive super accounts with a balance below \$6,000 will automatically be transferred to the ATO. An inactive account is an account which hasn't received a contribution for 13 months.

The ATO will use data matching to identify an active account and where possible, the ATO will transfer these inactive balances into an individual's active super account.

You can currently search for lost super using Suncorp's Search & Combine tool, or MyGov.

Restrictions on fees

The Government has proposed a new 3% cap on total fees payable for super accounts with a balance below \$6,000. In addition, a ban on exit fees has been proposed for all withdrawals from super accounts.

Insurance in superannuation

It has been proposed that from 1 July 2019, members with insurance inside their super account will need to 'opt-in' to receive insurance cover where they:

- Are under age 25, or
- have a superannuation balance below \$6,000, or
- their super account is inactive.

Under this proposal, members will need to actively choose (or opt-in) to keep insurance cover within their super account. Members will have 14 months to opt-in to retain their insurance cover before it is switched off.

High income earners with multiple employers

The Government has proposed that individuals with multiple employers and a taxable income exceeding \$263,157 pa will be able to nominate wages from certain employers are not subject to the Superannuation Guarantee. It is proposed that this measure applies to contributions made from 1 July 2018.

Work test exemption for over 65s

Under current superannuation law, super members over the age of 65 can only make voluntary contributions to their super account if they worked at least 40 hours within 30 consecutive days in the financial year the contribution was made to their account. This is known as the 'work test'.

From 1 July 2019, it is proposed that individuals aged 65-74 who have a total super balance of less than \$300,000 and are transitioning out of the workforce will be exempt from the 'work test' for voluntary contributions made to their super account. This exemption only applies to the first year in which the work test is not met.

Other important updates

Updates to your previous Annual Statements

Whilst conducting a recent review of your account, we have identified an error in past Annual Statements issued to you. Importantly, this error did not affect your benefits, your account value, or investment returns during the relevant statement period.

Special bonus and declared bonus rates displayed in your Annual Statements for the years ended 30 June 2015, 2016 and 2017 were incorrectly reported, with the special bonus rate being understated, and the declared bonus rate being overstated. The amounts by which the bonus rates were over and understated were the same, so the total bonus rate and amount stated in the Investment Returns section in each statement were unaffected. The information in the Policy Summary section of your Annual Statements was also unaffected.

If you have any questions or concerns about this error, and would like us to review your Annual Statements for any period ending prior to 30 June 2015 to see if they also contained the error, please send a copy of the relevant Annual Statement(s) to the below address, and we will respond as soon as possible.

Email: life&super@suncorp.com.au

Post: GPO Box 1453, Brisbane Qld 4001

We apologise for any inconvenience caused by these errors and omissions. We have commenced a review of our processes to ensure we provide you with the correct information in Annual Statements.

Insurance in Super Voluntary Code of Practice

The Insurance in Superannuation Voluntary Code of Practice (the Code) has been developed by an Insurance in Superannuation Working Group, comprising Australia's superannuation industry bodies.

The overarching objective of the Code is to improve the insurance in superannuation offered to members of super funds, and the processes by which insurance benefits are provided to members. Recognising the significant changes outlined under the Code, the Code provides a transition period until 30 June 2021 for trustees to comply with the standards of the Code.

We intend to adopt the Code, and will publish a transition plan at www.suncorp.com.au/super by 31 December 2018, to comply with the standards of the Code. A copy of the Code is also available at <https://www.superannuation.asn.au/policy/insurance-in-superannuationvoluntary-code-of-practice>.

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 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 for which Suncorp Funds Pty Ltd (ABN 96 153 008 354) (SFPL) acts as the trustee.

If you became a member of the Fund as a result of purchasing Suncorp Superannuation Term Life Insurance, you are entitled to cover 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 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, Suncorp-Metway Limited, SFPL, Suncorp Corporate Services Pty Ltd (ABN 69 074 966 466) and Suncorp Life are part of the Suncorp Group¹.

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

¹ Suncorp Life Holdings Limited ABN [87 073 979 530], a related body corporate of Suncorp, has entered into a share sale deed with TAL Dai-ichi Life Australia Pty Ltd ABN [97 150 070 483] (TAL) to sell its shareholding in Suncorp Life. The transaction is expected to complete around 28 February 2019 although that may change. If the sale does proceed, Suncorp Life will cease to be part of the Suncorp Group of companies and a related body corporate of SPSP or of any other Suncorp Group entity at the date of completion.

How investment performance is calculated

Suncorp Capital Guaranteed Fund No. 1 and No. 4

The declared interest rates for both 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, or
- the fees and charges that apply.

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 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.

Investments exceeding 5%

As at 30 June 2018, the following investments exceeded 5% of the total assets of the SunCorp Superannuation Division of the Fund¹.

Investment	Percentage
Suncorp Life & Superannuation Limited Insurance policies	100%

¹The 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 of a particular investment option in the relevant PDS and Product Guide on our website 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 generally includes the investment manager's fee, audit, custody and other general costs incurred in the administration of the underlying investment option. 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. They range from 0.11% pa to 0.55% 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 monthly investment options 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 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 tables show 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 16. Investment performance reports are available by calling us.

Suncorp Personal Superannuation

Investment options	Investment returns (%) for the year ended 30 June:					5 year compounding return (% pa)
	2018	2017	2016	2015	2014	
Super Bond, Super Lifesaver (policies commencing after 1/7/92) & Super Bond Plus						
Suncorp Capital Guaranteed Fund No. 1	3.43	3.64	3.80	5.95	8.93	5.24
Suncorp Capital Guaranteed Fund No. 4	2.32	2.73	3.80	3.47	6.73	4.22
Suncorp Traditional Capital Stable Fund	7.02	4.85	3.29	7.46	8.28	6.14
Suncorp Traditional Growth Fund	12.83	9.27	3.08	12.14	13.41	10.04
Super Bond, Super Lifesaver (policies commencing before 1/7/92) Super Saver Plus & Senior Saver Plus						
Suncorp Capital Guaranteed Fund No. 1	4.45	4.65	4.75	6.85	9.82	6.20

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 2017 and 2018 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	
	2018	2017	2018	2017	2018	2017
Suncorp Personal Superannuation						
Suncorp Capital Guaranteed Fund No. 1	59.3	65.0	10.1	10.0	6.5	5.8
Suncorp Capital Guaranteed Fund No. 4	54.2	55.8	35.7	35.1	3.2	3.1
Suncorp Traditional Capital Stable Fund	25.6	26.5	16.2	16.6	18.5	16.7
Suncorp Traditional Growth Fund	8.0	8.1	3.1	3.0	4.1	4.0

'-' no allocation to this sector

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Current investment managers

The investment manager as at 30 June 2018 is:

— Suncorp Corporate Services Pty Ltd

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

Australian shares		International shares		Property		Infrastructure		Other	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
3.1	4.1	3.4	5.0	3.7	3.1	8.8	6.9	5.2	-
1.2	1.9	-	-	1.2	1.8	2.7	2.3	1.9	-
15.7	16.7	16.9	16.5	7.2	6.9	-	-	-	-
30.6	32.5	35.6	36.1	12.1	10.8	6.4	5.4	-	-

Other important information

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 on the next page.

Financial year commencing	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 casual, and it doesn't matter if you're a temporary resident of Australia.

Tax and Government charges

Taxes, duties and levies incurred by us are recovered directly from the assets of the investment options (where the expenses are investment costs) before determining unit prices, or from your account.

We deduct amounts from your account for any tax on contributions. The total amount of tax payable by the Fund is calculated at the end of the financial year. Tax is calculated on assessable income and is reduced by deductions allowable to the Fund. Therefore, the total amount of tax paid to the ATO may be less than the total amount deducted from members' accounts.

The Fund retains the benefit of this excess and may use this amount to cover expenses incurred in the administration, management or maintenance of the Fund.

For example, the cost of maintaining the Fund fluctuates on an annual basis due to the need to update systems, policies and processes to reflect changes to legislation or industry best practice. Properly incurred implementation costs for these types of projects may be paid from this excess. The total amount paid in the year ended 30 June 2018 was \$8.6m.

SPSL has entered into a services agreement with Suncorp Life, under which Suncorp Life, as a Fund administrator, may apply to SPSL for reimbursement of expenses SPSL has properly incurred in providing additional services to the Fund for the benefit of certain members. If SPSL approves the application, the reimbursement may be paid from the excess. The Trustee may consider applications for FY18 additional services by 30 June 2019.

Contributions tax surcharge

Contributions tax surcharge has been abolished for contributions made on or after 1 July 2005 but outstanding liabilities may still be payable. The contributions tax surcharge is deducted from members' accounts within 30 days of receipt of a tax assessment from the ATO. Your Annual Statement will show any contributions tax surcharge deducted from your account.

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 fees, any expenses which are 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.

Other costs that we incur may also be deducted from the assets of the Fund.

To understand all 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.

Payments to and from other parties

Any payments (or benefits) we make to or receive from other parties are not an additional cost to you unless otherwise stated in the PDS.

We may pay additional amounts to your adviser or their Licensee or other benefits on the total amount of funds they introduce to the Fund, or for its promotion. These payments won't exceed 0.50%pa of these funds and will be disclosed in your Statement of Advice.

Any alternative forms of remuneration we may also pay or receive will be in accordance with the Financial Services Council Industry Code of Practice. We keep a register of these payments which you can view by contacting us.

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. If something's gone wrong, let us know so that we can try to help you. Our contact details are on the front page of your statement.

If you do need to make a complaint, we will try and resolve it to your satisfaction as quickly as possible.

However, if you are not satisfied with how it has been handled, or if we don't respond within the required time, you can take your complaint to the Australian Financial Complaints Authority (AFCA):

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

AFCA provides fair and independent financial services complaint resolution that is free to Fund members.

Time limits may apply to complain to AFCA, so you should act quickly. Please consult the AFCA website, or call them, to find out if or when the time limit relevant to your circumstances expires and whether they can hear your complaint. AFCA can also let you know how long we have to respond to your complaint.

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 members register. That's why it's important that you keep us up to date with your current address.

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 been a member of the Fund 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' on page 31.

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 \$6,000, 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 super account, you will receive a lapse notice in sufficient time to contribute to your account and continue your insurance cover. If you don't pay by the date we specify, your insurance cover will be cancelled and your super account will be closed.

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 SMF Eligible Rollover Fund as our ERF. You can contact them at:

Mail: Fund Administrator
SMF Eligible Rollover Fund
GPO Box 264
Melbourne VIC 3001

Phone: 1800 677 306

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 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 can transfer your entire* super account balance from Australia to a New Zealand KiwiSaver scheme provided certain pre- conditions are met. For example, we must 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 the Australian Prudential Regulation Authority (APRA) for strengthening the governance, integrity and regulatory settings of the superannuation system for APRA-regulated superannuation funds. The Trustee has implemented these standards. APRA may update or introduce new standards from time to time. If it does, the Trustee will implement any changes to the new standards as required.

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 2018.

	2018 \$'000	2017 \$'000	2016 \$'000
Balance at beginning of the financial year	2,482	955	1,193
Profit/(loss) for the financial year	20,861	1,527	(238)
Balance at end of the financial year	23,343	2,482	955

Management of reserves

The Trustee has discretionary powers in the management and use of reserves. Reserves may be used to meet costs reasonably and properly incurred in the administration, development or winding up of your division and which are not inherently included in administration fees already charged by the Trustee. At the present time, the Trustee is of the view that, after making sufficient provision for these costs, any surplus may be allocated to members' accounts in an equitable manner.

As at 30 June 2018, reserves were invested in cash.

Abridged financial information

The following tables show the abridged financial information of the Fund for the year ended 30 June 2018. A copy of the audited financial report and the auditor's report will be made available to members on request. This information takes into account all the divisions within the Fund.

Suncorp Master Trust

Statement of Financial Position as at 30 June	2018 \$'000	2017 \$'000
Assets		
Cash and cash equivalents	73,607	74,451
Investment securities	6,883,759	6,760,495
Investments receivables	6,575	7,258
Trust distribution receivables	96,222	69,716
Other income receivables	1,411	2,626
Current tax receivables	-	7,844
Deferred tax assets	-	6,297
Total assets	7,061,574	6,928,687
Liabilities		
Benefits payable	9,026	1,215
Investments payable	6,314	4,423
Administration fees payable	32,922	32,904
Other payables	2,557	4,510
Current tax liabilities	2,290	-
Deferred tax liabilities	7,963	-
Total liabilities excluding member benefits	61,072	43,052
Net assets available for member benefits	7,000,502	6,885,635
Member liabilities		
Allocated to members	6,975,470	6,878,487
Unallocated to members	1,689	4,666
Total member liabilities	6,977,159	6,883,153
Total net assets	23,343	2,482
Equity		
General expense and tax reserve	23,343	2,482
Total equity	23,343	2,482

Suncorp Master Trust

Income Statement for the year ended 30 June	2018 \$'000	2017 \$'000
Revenue		
Interest income on:		
- financial assets not at fair value through profit or loss	1,826	1,940
Trust distributions and dividend income	367,217	375,938
Net gains on financial assets at fair value through profit or loss	208,412	146,515
Total investment income	577,455	524,393
Other income	3,386	1,165
Total revenue	580,841	525,558
Expenses		
Investment expenses	(16,919)	(22,534)
Administration expenses	(50,669)	(69,582)
Trustee fee and reimbursements	(8,648)	-
Other operating expenses	(672)	(677)
Total expenses	(76,908)	(92,793)
Profit before tax and allocation to members	503,933	432,765
Net benefits allocated to defined contribution member accounts	(460,963)	(430,438)
Profit before tax	42,970	2,327
Income tax expense	(22,109)	(800)
Profit for the financial year	20,861	1,527

Statement of changes in member benefits for the financial year ended 30 June	2018 \$'000	2017 \$'000
Balance at the beginning of the financial year	6,883,153	6,793,724
Employer contributions	338,391	340,436
Members' contributions	83,957	116,614
Transfer from other funds	276,646	341,882
Other contributions	4,843	2,853
Total contributions before contributions tax	<u>703,837</u>	<u>801,785</u>
Contributions tax	<u>(53,283)</u>	<u>(52,607)</u>
Total contributions net of contributions tax	<u>650,554</u>	<u>749,178</u>
Benefits paid or payable	(957,774)	(1,026,921)
Group life insurance expenses	(149,529)	(153,559)
Income tax on group life insurance expenses	22,429	23,034
Group life insurance benefits	67,363	67,259
Net benefits allocated to defined contribution member accounts, comprising:		
– investment income and other revenue	578,349	524,772
– administration and other expenses	<u>(117,386)</u>	<u>(94,334)</u>
Net benefits allocated to defined contribution member accounts	<u>460,963</u>	<u>430,438</u>
Balance at the end of the financial year	<u>6,977,159</u>	<u>6,883,153</u>

How to contact us



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