



# Annual Report 2017



**YOUR QLD  
INDUSTRY  
SUPERFUND**



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SuperRatings Pty Limited  
(ABN 95 100 192 283) holds AFSL No. 311880.

This Annual Report was prepared for Club Super (ABN 12 737 334 298) by the Trustee of the Fund, Club Plus Qld. Pty. Ltd. (ABN 30 010 892 396). Club Plus Qld. Pty. Ltd. is Corporate Authorised Representative No. 268814 under Australian Financial Services Licence No. 238507 and is authorised to provide general financial product advice in relation to superannuation. Club MySuper Product Unique Identifier 12737334298988.

Club Super is a regulated superannuation fund and complies with the Superannuation Industry (Supervision) Act 1993. Club Super also meets the requirements for Choice of Fund.

The information is of a general nature only. It does not take into account your individual financial situation, objectives or needs. You should consider your own financial position and requirements before making a decision. You may like to consult a licensed financial adviser in order to assist you with this. You should also refer to the Product Disclosure Statement and our Financial Services Guide before making a decision available at [clubsuper.com.au](http://clubsuper.com.au) or by calling 1300 369 330.

This document should be read in conjunction with your Annual Member Statement for the year ended 30 June 2017 if you were a member of Club Super at that time.

Document created August 2017

# Message from our Chairperson



On behalf of the Board, I am pleased to present the 2017 Annual Report for Club Super.

**Peter Castrisos**  
CHAIRPERSON

Club Super has had a successful year. Our investments returns have produced top quartile performance outperforming a number of our competitors; we've reviewed our insurance and investment products resulting in some beneficial changes for members and we continue to improve the way we communicate to you, our members and employers, ensuring that you're updated on the changes in super and what they mean for you.

The success of Club Super isn't possible without the support of our very important members and employers. Thank you for your ongoing support as we continue to grow the Fund and ensure we strive to meet our primary focus - helping our members to achieve their retirement goals.

This year Club Super returned a top quartile performance of 11.40% as at 30 June 2017 in our MySuper investment option. Our other Club Super investment options also performed strongly with 6 out of 8 options returning in the top quartile. We are proud of this result as managing the life savings of our members is a role we take seriously. Superannuation is a long term investment and the markets, both domestic and globally, continue to test investors. Club Super together with our investment adviser, JANA Investment Advisers (JANA), continue to manage your investments and position the portfolio to meet challenges and continually seek out new investment opportunities. During this year our conviction remained strong in particular to Australian equities and unlisted property investments and this led to us delivering top quartile returns.

Club Super strives to deliver a sustainable insurance offering with a focus on keeping fees affordable, whilst also making sure that you have access to your insurance benefit when you and your loved ones need it most. There have been significant changes in the Australian insurance market over the last few years with a number of factors driving an increase in the number of insurance claims and the cost of providing cover. Club Super understands the need to provide members with the best available insurance products at a competitive cost which is why we were pleased to deliver no changes to any insurance fees as a result of our recent comprehensive insurance reviews.

**“The success of Club Super isn't possible without the support of our very important members and employers.”**

Last year we advised our members that there were significant superannuation reforms being proposed by the Government in the Federal Budget. These changes have now been legislated and took effect from 1 July 2017. It is extremely important to us that our members stay updated and understand how the changes will affect their super savings. To ensure you're kept well informed, we've committed to increasing the level of communication with you. Our members received separate direct correspondence from Club Super informing them of the changes and the likely impact of these changes. We continue to broaden the channels of communication (emails, webinars, website content, direct mail outs and SMS). Our Club Super Client Services Managers and Club Super Financial Planning team are out on the road to keep you abreast of these key changes and to assist you with any aspect of your Club Super account.

The ever increasing level of regulatory change also demands higher levels of good governance by the Board and Committees of the Board. I would like to acknowledge the efforts and dedication of each of my fellow Directors who ensure that each and every decision made by the Board is in the best interests of you, the member.

I wish to make special mention of Mr Barry Meiklejohn who has expertly led the Club Super Board as Chair during his term. Barry remains as a Director on the Board.

Welcome to our new Director to the Board, Mr Doug Flockhart, as the nominated representative of Clubs Queensland. Doug brings to the Fund a depth of experience, knowledge and skills specific to the club industry and we are grateful to him for taking up this important role.

I am delighted to have been appointed to the position of Chair of the Board of Club Super and would also like to welcome Ms Sharron Caddie to the position of Fund Secretary. We recognise the importance of these leadership roles and our commitment remains strong to continuing to strive for excellent retirement outcomes for you, the members of Club Super.

Finally, a thank you to our key service providers, Independent Fund Administrators & Advisers (IFAA), Superannuation Compliance Services (SCS) and JANA Investment Advisers who continue to work with us and for our members.

At Club Super we are confident that with your support, the Board and the team which support the Fund, we will ensure that Club Super remains 'right beside you!'

# Investments

## Club Super's Investment Strategy

The Trustee aims to achieve the investment objectives of the Fund through an investment strategy that keeps the asset allocation within ranges set by the Trustee. Professional fund managers are appointed to manage funds within mandated asset classes. The Trustee regularly monitors the aggregate asset allocation of the Fund.

The Trustee implements the investment strategy by undertaking to:

- Appoint professional fund managers for the investment of Fund assets, who will be expected to achieve returns equal to or better than the average, as compared with other appropriate sectors, without exposing the Fund to undue risk;
- Obtain professional investment advice to assist them in decisions on investments and in the monitoring of performance;
- Review the Fund's long term asset mix every 12 months;
- Monitor, on a quarterly basis, the direction of cash flow to fund managers and investment products and the performance of investments; and
- Meet with fund managers on a regular basis to discuss their strategy and performance.

Labour standards or environmental, social or ethical considerations are not taken into account in selecting, retaining or realising the investments of the Fund.

The Fund utilises a weekly crediting rate methodology. These rates are used in applying investment earnings to member accounts. Members are credited with the earnings from the underlying investments in each investment option, net of taxes and investment expenses and the indirect asset based administration cost.

## Reserves

Club Super maintains a number of reserves in accordance with Club Super's Reserving Policy.

## Administration Reserve

The Trustee maintains an Administration Reserve which is used to pay for administration, legal, audit and other professional services provided to the Fund.

The Administration Reserve is invested in a cash like strategy.

## History of Administration Reserve

Year ended	\$
30 June 2017	\$808,491
30 June 2016	\$1,324,515
30 June 2015	\$1,776,478

## Operational Risk Financial Reserve (ORFR)

ORFR is intended to be a buffer on which the Trustee can call upon if an operational risk eventuates, rather than having to call directly on members' funds.

The guidelines from the Australian Prudential Regulation Authority (APRA) impose a target level on the ORFR which has been attained. Top-ups occur as required to maintain ORFR funding at this level. The ORFR is required to be easily accessible if required by the Trustee, so is invested in a cash like strategy. As at 30 June 2017, the ORFR is \$1,316,328.

## Investment Reserve

The Trustee maintains an Investment Reserve which is primarily used to accumulate investment earnings pending distribution to members and to fund investment related expenses. The Investment Reserve is invested in accordance with the investment profile of the membership.

## History of Investment Reserve

Year ended	\$
30 June 2017	\$5,689,023
30 June 2016	\$4,341,345
30 June 2015	\$4,451,855

## Derivatives

Club Super uses derivatives either to protect the value of its portfolios or to manage them efficiently within set asset allocation ranges. On the advice of the Club Super asset consultant, the Club Super Trustee may use currency hedges to protect the value of Club Super's overseas investments.

The fund managers are permitted to use futures, options and other derivative instruments to assist with the effective management of the Fund's assets. However, these instruments must not be used to gear the portfolio unless it is consistent with the manager's investment strategy.

# Member Investment Choice

## Which option(s) are best for me?

Club Super has prepared an *Additional Information - How we invest your money* document, that provides information on each asset class and the risks involved in investing. Please call **1300 369 330** for a copy or visit [clubsuper.com.au/members/publications](http://clubsuper.com.au/members/publications). If you need more assistance, you can also log in to Member Online to access our online super advice tool, YourSuperFuture\*, or you can call Club Super to be referred to one of our Club Super Financial Planners\*, who can help select the best option(s) for you.

## How do I make an investment choice?

1. Please read the *Club Super Product Disclosure Statement (PDS)* and *Additional Information - How we invest your money*.

Then choose one investment option or a mix of different options separately, for your Existing Account Balance and your Future Contributions, provided the total equals 100%.

Please note, the Club MySuper option is the default option should you not exercise a choice.

The product dashboard for Club MySuper can be found on our website [clubsuper.com.au/members](http://clubsuper.com.au/members), click on **Club MySuper Dashboard**.

2. Log into Member Online at [clubsuper.com.au](http://clubsuper.com.au) and go to 'investment' tab, or complete a *Change to Member Investment Choice Form* available at [clubsuper.com.au/members/forms](http://clubsuper.com.au/members/forms) and return it to Club Super.



During the 2016/17 financial year, Club Super Financial Planning held

**114** meetings for personalised advice

and provided

**78** Members with written advice



Club Super Client Services Managers (CSMs) held

**214**

workplace member appointments, during the 2016/17 financial year



2005 – 2017 Club Super continued to maintain a

**GOLD RATING**

from SuperRatings who provide independent superannuation assessment and ratings of all Australian super funds



Club Super's goal is to contact all new Members upon joining the Fund

Club Super welcomed **1968** new Members throughout the 2016/17 financial year



At Club Super, we're right beside you with over

**25,000 Members**

and we're dedicated to servicing the Clubs industry

\* This advice is provided by My Super Future Pty Ltd (MSF) (ABN 38 122 977 888) AFSL no. 411440. The Trustee is not responsible for, and does not accept liability for the products or services or actions of MSF. MSF is authorised to provide personal financial product advice. You should use your own judgment before taking up any product or service offered by MSF.

# Member Investment Choice (Cont.)



Club MySuper <sup>^^</sup> Option available from 01/09/2013	Growth <sup>^^</sup> Option available from 01/07/2003
<b>Crediting Rates at:</b> 30 June 2017 ..... 11.40% 30 June 2016 ..... 2.40% 30 June 2015 ..... 9.12%  On 1 September 2013, Club Super renamed the Balanced investment option to "Club MySuper". Due to regulatory requirements, these are considered separate products, even though the investment objective and strategy were unchanged. As a result, Club Super is unable to combine the returns of the two products to display long term investment returns.	<b>Crediting Rates at:</b> 30 June 2017 ..... 13.02% 30 June 2016 ..... 1.75% 30 June 2015 ..... 9.55% 30 June 2014 ..... 15.15% 30 June 2013 ..... 18.21% <b>5 Year Average** ..... 11.39%</b> <b>10 Year Average** ..... 4.18%</b>
<b>Investment objective:</b> To achieve a rate of return equivalent to CPI + 3% p.a. over rolling 10 year periods (after fees and tax).	<b>Investment objective:</b> To achieve a rate of return equivalent to CPI + 4% p.a. over rolling 10 year periods (after fees and tax).
<b>Description of investment strategy:</b> Investments are diversified across a mix of asset classes with a bias more towards shares and property than defensive assets. This option is suited to an investor with a long term investment horizon of at least 5 years. Investors are seeking exposure mainly to growth assets, but with some defensive exposure to reduce volatility. Investors are prepared to accept negative returns on average once every five years.	<b>Description of investment strategy:</b> Predominately shares and property with little defensive exposure. This option is suited to an investor with a longer term horizon of at least 7 years. Investors are seeking higher long term returns than the Club MySuper portfolio through higher exposure to growth assets, while still retaining some exposure to defensive investments. Investors are prepared to accept negative returns on average once every four years.
<b>Strategic asset allocation:</b> <b>Growth 75%      Defensive 25%</b> ■ Australian Shares ..... 27 (10-40%) ■ International Shares ..... 28 (10-40%) ■ Property ..... 10 (5-20%) ■ Growth Alternatives ..... 10 (0-15%) ■ Defensive Alternatives ..... 10 (0-15%) ■ Fixed Interest ..... 12 (5-25%) ■ Cash ..... 3 (0-25%)	<b>Strategic asset allocation:</b> <b>Growth 90%      Defensive 10%</b> ■ Australian Shares ..... 35 (20-50%) ■ International Shares ..... 35 (20-50%) ■ Property ..... 10 (0-15%) ■ Growth Alternatives ..... 10 (0-15%) ■ Defensive Alternatives ..... 8 (0-15%) ■ Fixed Interest ..... 0 (0-15%) ■ Cash ..... 2 (0-15%)
	
<b>Minimum suggested time frame</b> 3 to 5 years	<b>Minimum suggested time frame</b> At least 7+ years
<b>Risk Level<sup>^</sup></b> High. Estimated number of negative annual returns is 4.1 over any 20 year period.	<b>Risk Level<sup>^</sup></b> High. Estimated number of negative annual returns is 4.5 over any 20 year period.

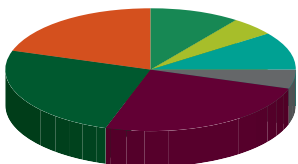
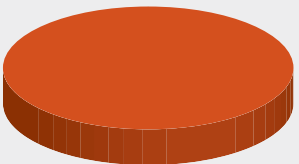
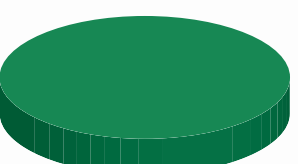

\*\* The average crediting rates are calculated for the 5 or 10 year period to 30 June 2017 (or shorter period where the option has not been available for that period). "Average" is the compound average effective rate of net earnings of the investment option over the period.

<sup>^</sup> The standard risk measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The standard risk measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to not be sufficient for a member to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

<sup>^^</sup> The International Shares exposure has a benchmark hedging level of 25% however, the actual hedging level will vary from time to time at the discretion of the Trustee.

Past performance is not necessarily an indication of future performance.

# Member Investment Choice (Cont.)

Capital Stable <sup>^^</sup> Option available from 01/07/2003	Cash Option available from 01/07/2003	Australian Shares Option available from 01/01/2009	International Shares <sup>^^</sup> Option available from 01/01/2009
<b>Crediting Rates at:</b> 30 June 2017 ..... 6.28% 30 June 2016 ..... 3.38% 30 June 2015 ..... 4.40% 30 June 2014 ..... 6.50% 30 June 2013 ..... 7.24% <b>5 Year Average**</b> ..... 5.55% <b>10 Year Average**</b> ..... 4.51%  <b>Investment objective:</b> To achieve a rate of return equivalent to CPI + 2% p.a. over rolling 10 year periods (after fees and tax).  <b>Description of investment strategy:</b> Invests predominantly in defensive assets such as cash and fixed interest securities, with a limited exposure to Australian and international shares and property. This option is suited to an investor who would like limited exposure to growth investments, and is looking for long term returns higher than that of cash or fixed interest while being protected to some extent against the volatility of the share markets.  <b>Strategic asset allocation:</b> <b>Growth 30%      Defensive 70%</b> ■ Australian Shares ..... 10 (0-15%) ■ International Shares ..... 5 (0-15%) ■ Property ..... 10 (0-15%) ■ Growth Alternatives ..... 5 (0-10%) ■ Defensive Alternatives ..... 25 (0-35%) ■ Fixed Interest ..... 25 (20-50%) ■ Cash ..... 20 (0-50%)  	<b>Crediting Rates at:</b> 30 June 2017 ..... 1.28% 30 June 2016 ..... 1.61% 30 June 2015 ..... 1.86% 30 June 2014 ..... 2.51% 30 June 2013 ..... 3.44% <b>5 Year Average**</b> ..... 2.14% <b>10 Year Average**</b> ..... 3.06%  <b>Investment objective:</b> To outperform CPI.  <b>Description of investment strategy:</b> Investments in short term money market securities and fixed interest. Investments include bank deposits, bank bills and cash management trusts. This option is suited to risk averse investors who seek stability, low volatility and a positive return on their investments. They are prepared to sacrifice the higher long term returns available from more growth oriented options for more stable levels of returns.  <b>Strategic asset allocation:</b> <b>Defensive 100%</b> ■ Cash ..... 100 (0-100%)  	<b>Crediting Rates at:</b> 30 June 2017 ..... 16.42% 30 June 2016 ..... 3.78% 30 June 2015 ..... 5.05% 30 June 2014 ..... 17.15% 30 June 2013 ..... 20.46% <b>5 Year Average**</b> ..... 12.36%  <b>Investment objective:</b> To achieve a return before tax and after fees that exceeds the S&P/ASX 300 Accumulation Index over rolling 3 year periods.  <b>Description of investment strategy:</b> This option is only invested in Australian Shares. This option is suited to risk seeking investors with a long-term investment horizon who seek exposure to Australian equities. Investors are prepared to accept a high level of volatility with the likelihood of negative returns on average every three to four years.  <b>Strategic asset allocation:</b> <b>Growth 100%</b> ■ Australian Shares ..... 100 (0-100%)  	<b>Crediting Rates at:</b> 30 June 2017 ..... 15.31% 30 June 2016 ..... -5.12% 30 June 2015 ..... 20.25% 30 June 2014 ..... 18.01% 30 June 2013 ..... 24.29% <b>5 Year Average**</b> ..... 14.05%  <b>Investment objective:</b> To achieve a return before tax and after fees that exceeds the MSCI World ex-Australia Index in \$A over rolling 3 year periods.  <b>Description of investment strategy:</b> This option is only invested in International Shares. This option is suited to risk seeking investors with a long term investment horizon who seek exposure to international equities. Investors are prepared to accept a high level of volatility with the likelihood of negative returns on average every five years.  <b>Strategic asset allocation:</b> <b>Growth 100%</b> ■ International Shares ..... 100 (0-100%)  
<b>Minimum suggested time frame</b> Up to 3 years	<b>Minimum suggested time frame</b> 12 months	<b>Minimum suggested time frame</b> 7+ years	<b>Minimum suggested time frame</b> 7+ years
<b>Risk Level<sup>^</sup></b> Low. Estimated number of negative annual returns is 0.9 over any 20 year period.	<b>Risk Level<sup>^</sup></b> Very Low. Estimated number of negative annual returns is 0.0 over any 20 year period.	<b>Risk Level<sup>^</sup></b> Very high. Estimated number of negative annual returns is 6.2 over any 20 year period.	<b>Risk Level<sup>^</sup></b> High. Estimated number of negative annual returns is 5.0 over any 20 year period.

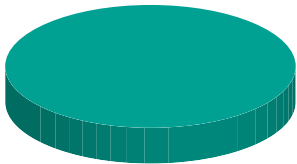
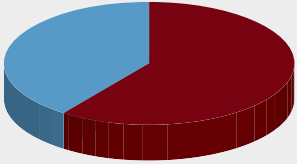
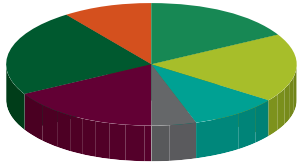
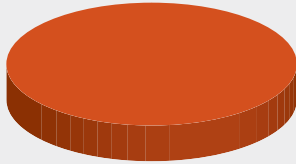
\*\* The average crediting rates are calculated for the 5 or 10 year period to 30 June 2017 (or shorter period where the option has not been available for that period). "Average" is the compound average effective rate of net earnings of the investment option over the period.

<sup>^</sup> The standard risk measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The standard risk measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to not be sufficient for a member to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

<sup>^^</sup> The International Shares exposure has a benchmark hedging level of 25% however, the actual hedging level will vary from time to time at the discretion of the Trustee.

Past performance is not necessarily an indication of future performance.

# Member Investment Choice (Cont.)

Property Option available from 01/01/2009	Fixed Interest Option available from 01/01/2009	Moderate <sup>^^</sup> Option available from 01/07/2012 Option closed from 05/05/2017	Pooled Term Deposit Fund Option available from 01/07/2012 Option closed from 05/05/2017
<b>Crediting Rates at:</b> 30 June 2017 ..... 11.97% 30 June 2016 ..... 12.76% 30 June 2015 ..... 6.94% 30 June 2014 ..... 7.16% 30 June 2013 ..... 6.92% <b>5 Year Average** ..... 9.12%</b>	<b>Crediting Rates at:</b> 30 June 2017 ..... 4.05% 30 June 2016 ..... 3.55% 30 June 2015 ..... 4.61% 30 June 2014 ..... 5.67% 30 June 2013 ..... 3.92% <b>5 Year Average** ..... 4.36%</b>	<b>Crediting Rates at:</b> 30 June 2017 ..... 8.45% 30 June 2016 ..... 2.34% 30 June 2015 ..... 6.20% 30 June 2014 ..... 9.55% 30 June 2013 ..... 11.04% <b>Inception to 05/05/2017 ..... 7.72%</b>	<b>Crediting Rates at:</b> 30 June 2017 ..... 1.48% 30 June 2016 ..... 1.90% 30 June 2015 ..... 2.27% 30 June 2014 ..... 2.72% 30 June 2013 ..... 3.65% <b>Inception to 05/05/2017 ..... 2.48%</b>
<b>Investment objective:</b> To achieve a return before tax and after fees that exceeds the Mercer IPD Australian Pooled Property Fund Index over rolling 3 year periods.	<b>Investment objective:</b> To achieve a return before tax and after fees that exceeds the 50% Bloomberg AusBond Composite Bond Index, 50% Barclays Global Aggregate Hedged Index over rolling 3 year periods.	<b>Investment objective:</b> To achieve a rate of return equivalent to CPI + 2.5% p.a. over rolling 10 year periods (after fees and tax).	<b>Investment objective:</b> To provide security of capital by investing in term deposits with short to medium term maturities.
<b>Description of investment strategy:</b> This option is only invested in property. This option is suited to investors that seek exposure to growth assets through investments in property. Investors have a long term investment horizon and are seeking a lower level of volatility than equities, but expect a lower level of returns in the long term.	<b>Description of investment strategy:</b> This option is invested in Australian and international fixed interest. This option is suited to members seeking a higher level of returns than cash, while retaining a low level of volatility and accepting a lower level of returns than shares and property in the long term.	<b>Description of investment strategy:</b> The moderate option invests evenly in defensive and growth assets, sitting between the Club MySuper and Capital Stable option in terms of risks and returns. This option is suited to an investor looking to maintain some exposure to growth assets while having less volatility than the Club MySuper option. Investors are prepared to accept negative returns on average once every seven years.	<b>Description of investment strategy:</b> The Term Deposit option will invest in Term Deposits with rolling maturities to capture the average rate across different time periods.
<b>Strategic asset allocation:</b>  <b>Growth 100%</b> ■ Property ..... 100 (0-100%)	<b>Strategic asset allocation:</b>  <b>Defensive 100%</b> ■ Australian Fixed Interest .. 60 (30-70%) ■ International Fixed Interest 40 (30-70%)	<b>Strategic asset allocation:</b>  <b>Growth 50%      Defensive 50%</b> ■ Australian Shares ..... 17 (5-25%) ■ International Shares ..... 18 (5-25%) ■ Property ..... 10 (0-20%) ■ Growth Alternatives ..... 5 (0-15%) ■ Defensive Alternatives ..... 17 (0-20%) ■ Fixed Interest ..... 23 (10-30%) ■ Cash ..... 10 (0-25%)	<b>Strategic asset allocation:</b>  <b>Defensive 100%</b> ■ Term Deposit ..... 100 (0-100%)
			
<b>Minimum suggested time frame</b> At least 7-10 years	<b>Minimum suggested time frame</b> At least 3 years	<b>Minimum suggested time frame</b> Up to 4 years	<b>Minimum suggested time frame</b> 12 months
<b>Risk Level<sup>^</sup></b> Medium to high. Estimated number of negative annual returns is 3.4 over any 20 year period.	<b>Risk Level<sup>^</sup></b> Medium. Estimated number of negative annual returns is 2.0 over any 20 year period.	<b>Risk Level<sup>^</sup></b> Medium. Estimated number of negative annual returns is 2.3 over any 20 year period.	<b>Risk Level<sup>^</sup></b> Very low. Estimated number of negative annual returns is 0.0 over any 20 year period.

<sup>\*\*</sup> The average crediting rates are calculated for the 5 or 10 year period to 30 June 2017 (or shorter period where the option has not been available for that period). "Average" is the compound average effective rate of net earnings of the investment option over the period.

<sup>^</sup> The standard risk measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The standard risk measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to not be sufficient for a member to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

<sup>^^</sup> The International Shares exposure has a benchmark hedging level of 25% however, the actual hedging level will vary from time to time at the discretion of the Trustee. Past performance is not necessarily an indication of future performance.

# Who Looks After Your Super

Club Super was established in 1989 to offer employees of clubs a superannuation scheme tailored to meet the specific needs of the club industry.

The Board of Directors meet regularly to discuss the management of the Fund. The Directors are representatives from both employee and employer organisations and are strongly involved in the club industry. The Directors act on your behalf in overseeing and managing the Fund.

The Trustee of the Fund is Club Plus Qld. Pty. Ltd. (ABN 30 010 892 396).

## Employer Representatives



**Peter Castrisos**

(Chairperson) Appointed  
12 March 2010  
Golf Queensland



**Stuart Taylor**

Appointed 27 May 2016  
(previously an  
Alternate Director since  
8 December 2006)  
Bowls Queensland



**Douglas Flockhart**

Appointed 30 November  
2016, Registered and  
Licensed Clubs Association  
of Queensland Union of  
Employers (Clubs Queensland)

## Member Representatives



**Barry Meiklejohn**

Appointed  
1 March 2002  
Australian Workers Union



**Sharron Caddie**

(Secretary), Appointed  
11 April 2014  
Assistant Branch  
Secretary, United Voice



**Sheila Hunter**

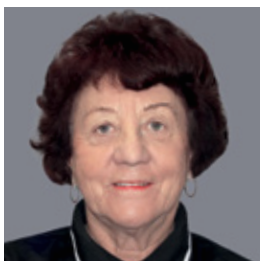
Appointed  
1 February 2011  
Assistant Branch  
Secretary, United Voice

## Election of Representative Directors

In accordance with the Constitution of Club Plus Qld. Pty. Ltd. the members of the Fund are represented by Directors nominated and elected by the union (3 representatives) and employer sponsor bodies (3 representatives).

The union and employer bodies each have the power to elect one Director for each share (six shares in total). They have the power to replace or remove any Director elected by them.

## Alternate Directors



**Carmel Smith**

Appointed  
12 March 2010  
Golf Queensland



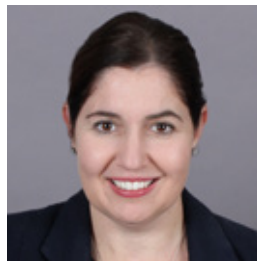
**Eric Porter**

Appointed 31 August  
2009 Registered  
and Licensed  
Clubs Association  
of Queensland  
Union of Employers  
(Clubs Queensland)



**Jeanette Temperley**

Appointed 23 June 2017,  
United Voice



**Jacqueline Power**

Appointed 23 June 2017,  
Australian Workers Union

# Club Super Investments

The following table illustrates the Funds' investments by asset class and fund managers at 30 June 2017.

Type of Asset	30 June 2017	
	\$ value of investments	% of total assets
<b>Australian Equities</b>		
Dalton Nicol Reid	35,428,188	6.65%
Solaris	42,369,919	7.95%
T.Rowe Price	36,245,875	6.80%
Vinva	27,251,651	5.11%
	<b>141,295,633</b>	<b>26.51%</b>
<b>International Equities</b>		
Emerging Market Share Trust*	17,480,251	3.29%
High Alpha Global Share Trust*	31,844,725	5.97%
Investec	50,445,535	9.46%
Vanguard	40,139,948	7.53%
	<b>139,910,459</b>	<b>26.25%</b>
<b>Property</b>		
ISPT	39,933,464	7.49%
QIC	19,643,645	3.69%
	<b>59,577,109</b>	<b>11.18%</b>
<b>Growth Alternatives</b>		
AMP	2,167,931	0.41%
Gardior	49,088,315	9.21%
Standard Life	5,881,752	1.10%
	<b>57,137,998</b>	<b>10.72%</b>
<b>Defensive Alternatives</b>		
Vinva	16,353,561	3.06%
Wellington	22,690,696	4.26%
	<b>39,044,257</b>	<b>7.32%</b>
<b>Fixed Interest</b>		
Bentham	28,518,378	5.35%
Diversified Fixed Income Trust*	34,817,515	6.53%
The Super Loans Trust	114,717	0.02%
	<b>63,450,610</b>	<b>11.90%</b>
<b>Cash</b>		
Macquarie	11,100,930	2.08%
Macquarie (Operational Risk Financial Requirement Reserve)	1,320,423	0.25%
Term Deposits	19,700,000	3.70%
Term Deposits (Administration Reserve)	500,000	0.09%
	<b>32,621,353</b>	<b>6.12%</b>
Other Investments	2,049	0.00%
<b>Total investments:**</b>	<b>533,039,468</b>	<b>100.00%</b>

\* Investments are made via the JANA/MIC platform

\*\* Corresponds to units in managed funds and mandates, other interest bearing securities and other investments on the Statement of Financial Position

# Abridged Financial Information

The financial information as at 30 June 2017 shown below has been extracted from the Fund's unaudited 2016/17 accounts. The audit of the 2016/17 Financial Statements is planned to be completed by 30 September 2017 and will be available to members on request after that date.

## Statement of Financial Position - as at 30 June 2017

	30 June 2017 \$	Restated <sup>1</sup> 30 June 2016 \$
<b>Assets</b>		
Cash & cash equivalents	5,552,959	4,627,792
Receivables	1,971,436	7,700,380
Income tax receivable	-	447,457
Other interest bearing securities	20,200,000	18,500,000
Units in managed funds and mandates	512,837,419	457,361,080
Other investments	2,049	11,879
<b>Total assets</b>	<b>540,563,863</b>	<b>488,648,588</b>
<b>Liabilities</b>		
Benefits payable	503,744	240,749
Trade and other payables	2,535,604	2,320,611
Income tax payable	134,795	-
Deferred tax liabilities	6,229,027	3,343,240
<b>Total liabilities excluding member benefits</b>	<b>9,403,170</b>	<b>5,904,600</b>
<b>Net assets available for member benefits</b>	<b>531,160,693</b>	<b>482,743,988</b>
<b>Member benefits</b>		
Allocated to members	523,672,074	475,630,442
Unallocated to members	(325,223)	180,756
<b>Total member liabilities</b>	<b>523,346,851</b>	<b>475,811,198</b>
<b>Net assets</b>	<b>7,813,842</b>	<b>6,932,790</b>
<b>Equity</b>		
Investment Reserve	5,689,023	4,341,345
Administration Reserve	808,491	1,324,515
Operational Risk Financial Requirement Reserve	1,316,328	1,266,930
<b>Total equity</b>	<b>7,813,842</b>	<b>6,932,790</b>

<sup>1</sup> The 2016 figures have been restated due to the compulsory implementation of the new accounting standard AASB1056 'Superannuation Entities', which requires comparative figures to be restated in the year of implementation. Some of the main changes are that member-related balances (including contributions and transfers from other plans) now appear in a new statement called Statement of Changes in Member Benefits instead of the Income Statement (previously called Operating Statement), and also contributions receivable are no longer included.

# Abridged Financial Information

## Income Statement - for the year ended 30 June 2017

	30 June 2017 \$	Restated <sup>1</sup> 30 June 2016 \$
<b>Superannuation activities</b>		
Interest	475,592	682,631
Other income	13,286	10,645
Dividend revenue	5,469,327	5,568,598
Distributions from managed funds and mandates	17,597,153	16,580,071
Changes in assets measured at fair value	38,716,687	(9,310,025)
<b>Total superannuation activities income</b>	<b>62,272,045</b>	<b>13,531,920</b>
Investment expenses	3,105,347	2,205,031
Administration expenses	5,355,519	4,969,134
Other operating expenses	1,889,563	1,693,564
<b>Total expenses</b>	<b>10,350,429</b>	<b>8,867,729</b>
Net results from superannuation activities	51,921,616	4,664,191
<b>Profit from operating activities</b>	<b>51,921,616</b>	<b>4,664,191</b>
Less: Net benefits allocated to members' accounts	50,117,524	8,353,195
Profit/(loss) before income tax	1,804,092	(3,689,004)
Income tax expense/(benefit)	923,040	(3,698,967)
<b>Profit after income tax</b>	<b>881,052</b>	<b>9,963</b>

## Statement of Changes in Member Benefits - for the year ended 30 June 2017

	30 June 2017 \$	Restated <sup>1</sup> 30 June 2016 \$
<b>Opening balance of member benefits</b>	<b>475,811,198</b>	<b>464,903,969</b>
<b>Contributions:</b>		
Employer	34,463,951	30,227,405
Member	5,570,719	8,604,191
Transfer from other superannuation plans	12,551,806	13,157,261
Government co-contributions	1,125,048	1,161,235
Income tax on contributions	(5,665,554)	(5,474,844)
<b>Net after tax contributions</b>	<b>48,045,970</b>	<b>47,675,248</b>
Benefits to members/beneficiaries	(46,757,943)	(40,464,649)
Insurance premiums charged to members' accounts	(9,129,898)	(8,271,565)
Death and disability benefits credited to members' accounts	5,260,000	3,615,000
Amounts allocated to members from reserves		
<b>Benefits allocated to members' accounts, comprising:</b>		
Net investment income	52,899,588	11,184,910
Administration fees	(2,782,064)	(2,831,715)
<b>Closing balance of members benefits</b>	<b>523,346,851</b>	<b>475,811,198</b>

<sup>1</sup> The 2016 figures have been restated due to the compulsory implementation of the new accounting standard AASB1056 'Superannuation Entities', which requires comparative figures to be restated in the year of implementation. Some of the main changes are that member-related balances (including contributions and transfers from other plans) now appear in a new statement called Statement of Changes in Member Benefits instead of the Income Statement (previously called Operating Statement), and also contributions receivable are no longer included.

# Important Information

## Temporary residents

If you work in Australia as a temporary resident and leave the country, you may be eligible to claim your superannuation benefit (less any tax) you accumulate while here.

This payment is called the Departing Australia Superannuation Payment (DASP). Australian and New Zealand residents are not eligible to claim a DASP.

You can claim your DASP if:

- You visited on an eligible temporary resident visa; and
- Your visa has ceased to be in effect (that is it has expired or been cancelled); and
- You have departed Australia

If you do not claim your DASP benefit within six months of departing Australia and your visa has ceased to be in effect, Club Super may be required to transfer your superannuation benefit to the Australian Taxation Office (ATO) as unclaimed money. In that case you will have to claim your DASP benefit from the ATO.

If Club Super transfers your DASP benefit to the ATO, then in accordance with relief provided by the Australian Securities and Investments Commission (ASIC), Club Super will not issue you with an exit statement.

If your DASP benefit is transferred to the ATO by Club Super, you may then claim your benefit directly from the ATO. The Trustee is required to provide you with information to assist you with this, and will endeavour to do so as soon as practicable after you contact us, and in any event within 1 month from that date.

## Contributions Surcharge

The superannuation surcharge was abolished from 1 July 2005. No surcharge is paid on contributions or termination payments received after 1 July 2005.

However, any surcharge assessments issued by the Australian Taxation Office in respect of previous financial years will still apply. Any such assessments received, will be deducted from the account of the relevant member.

If you have any queries in relation to the contributions surcharge, contact the Fund for more information.

## Crediting rate error policy

Club Super has a policy addressing when compensation will be applied, where an error occurs in the determination and application of crediting rates to exiting members.

In assessing the significance of the variation in the crediting rate(s) caused by the error, a materiality threshold of 0.20% has been set for the Cash investment option and 0.30% for all other investment options. If the above thresholds are exceeded, compensation will be paid to those exiting members for whom the impact of the error exceeds \$20. This threshold does not apply if the crediting rate error is due to a miscalculation of fees.

Ongoing members generally won't require cash compensation (nor will recovery be required), as the application of the corrected crediting rate(s) will apply after the end of the financial

year, which will restore their account to the position it would have been in, had the error not occurred.

Further details can be found at [clubsuper.com.au/members](http://clubsuper.com.au/members) and click on **Investment Performance**.

## Indemnity Insurance

The Trustee maintains an insurance policy to protect itself and the Fund from certain claims for damages or compensation.

## Enquiries and Complaints

If you are not happy with any aspect of your contact with Club Super and wish to make a complaint, you can do so in writing, over the phone or in person at the Club Super administration office. Complaints can be addressed to:

### The Complaints Officer

PO Box 10726  
Brisbane Adelaide Street QLD 4000

**Or call:** 1300 369 330 or;

**Or email:** [info@clubsuper.com.au](mailto:info@clubsuper.com.au)

The Trustee aims to resolve all complaints as soon as possible, but no longer than 90 days from the date of receipt. If you are dissatisfied with our handling of your complaint, or the Trustee's decision, or if the complaint is not resolved within 90 days, you may contact the Superannuation Complaints Tribunal (SCT).

The SCT will only consider your complaint once you have exhausted our internal complaint resolution procedures.

### You can contact the SCT as follows:

#### Superannuation Complaints Tribunal

**Address:** Locked Bag 3060  
Melbourne Vic 3001

**Phone:** 1300 884 114  
(cost of local call)

**Fax:** (03) 8635 5588

**Email:** [info@sct.gov.au](mailto:info@sct.gov.au)

**Website:** [sct.gov.au](http://sct.gov.au)

## Advice and further information

The information provided by Club Super is of a general nature and does not take into account your individual financial situation, objectives or needs.

If you require such specific advice, you should contact a licensed Financial Adviser. Club Super may offer members access to financial advice in the areas of superannuation for retirement, investment risk profile, insurance products and salary sacrificing to superannuation. If you require advice in relation to these areas telephone Club Super on **1300 369 330** and ask to be referred to a Financial Adviser.

Further information about the Fund, the Licensee and the Trustee is available by contacting Club Super using the contact details provided or from the Fund's website, [clubsuper.com.au](http://clubsuper.com.au). Upon request the Trustee will provide you with all of the information that the Trustee reasonably believes you would require to make an informed assessment about the management, financial condition and the investment performance of the Fund. The provision of some information may be subject to a charge.

# Important Information

## Fee and cost disclosure changes

The Federal Government is introducing significant changes to the way in which fees and costs are required to be disclosed by all superannuation funds and other financial services entities. The objective of the changes is to require greater transparency and comparability of all fees and costs, particularly in relation to investments.

The new regime requires all superannuation funds to disclose all fees and costs that reduce investment returns applied to member accounts. Compared to the existing disclosure regime, superannuation funds will now also be required to disclose the following indirect costs:

- All the fees and costs associated with investing in interposed vehicles;

For example, a Super Fund invests in product A, which in turn invests in entity B, which in turn invests in entity C. The fees and costs payable by the Fund or deducted from returns as a result of the Fund investing directly in A, and indirectly in B and C, must be disclosed.

- Transactional and operational costs;
- Property management costs (where applicable)

Implementation of the above changes will result in superannuation funds disclosing higher levels of fees and/or costs, compared to what is currently disclosed. **However, it is important to note that this is a disclosure change only, and not an actual increase in fees and costs charged to members.** In other words, all of the new indirect cost disclosure items have always been deducted from investment earnings, it is just that each of the new components will now need to be disclosed, whereas there was no requirement to disclose these items previously.

For Club Super, members will see a higher disclosed level of 'Indirect Cost Ratio'. This represents costs which are not charged directly to member accounts, but are instead deducted from investment returns prior to the determination of crediting rates.

In accordance with the mandated legislative timeframe, Club Super is implementing the changes via:

- Updated Product Disclosure Statements and associated 'Additional Information' documents from 30 September 2017;
- Updated Exit Statements for departing members, from 1 January 2018;
- Updated Annual Member Statements, starting for the year ended 30 June 2018.

If you have any questions, you may contact the Fund on 1300 369 330 for more information.

## Client Services Managers


It's always good to have face to face contact. That's why Club Super has Client Services Managers (CSMs) based in Brisbane, who travel throughout Queensland to service the needs of our members and employers. Their focus is on assisting members in getting the most out of their super, keeping employers up to date with changes in superannuation legislation and assisting members or employers with any issues relating to superannuation they may have.

All Club Super CSMs are qualified and are authorised to provide general financial advice about superannuation.

Our CSMs regularly visit clubs and provide member education sessions specifically designed to answer questions concerning Club Super and superannuation in general. CSMs are assigned to specific employers so members and employers are dealing with the same person.



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