



CSF Annual Report 2016



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This Annual Report was issued 28 November 2016 by CSF Pty Limited (ABN 30 006 169 286; AFSL 246664) (the Trustee), the Trustee of the MyLifeMyMoney Superannuation Fund (ABN 50 237 896 957; SPIN CSF0100AU) (the Fund). It provides important details about the Fund's activities and investments for the financial year ended 30 June 2016. A summary of the benefits and features of the Fund can be found in the Product Disclosure Statements available upon request.

The information contained in this Annual Report is about the Fund and is general information only. It has been prepared without taking into account your personal investment objectives, financial situation or needs. It is not intended to be, and should not be construed in any way as, investment, legal or financial advice.

We recommend you assess your own financial situation before making a decision based on the information contained in this Annual Report. To help you with your decision-making you may wish to seek assistance from a qualified financial advisor before making any changes to your financial affairs.

Neither the Trustee, nor any of the Trustee's service providers, guarantees the performance of the Fund or any particular rate of return. Past performance is not a reliable indicator of future performance.

The Trustee does not accept any liability, either directly or indirectly, arising from any person relying, either wholly or partially, upon any information shown in, or omitted from, this Annual Report. Under no circumstances will the Trustee be liable for any loss or damage caused by a user's reliance on information obtained from reading this Annual Report.

The information in this Annual Report is correct as at the date of publication. In the event of a material change occurring to any information contained in this Annual Report, the Trustee will notify existing members in writing within the timeframes required by law. Where a change to information in this Annual Report is not materially adverse, the Trustee will provide updated information online. You may request a paper copy of any change, which will be provided free of charge.





Who we are



CSF Pty Ltd is the Trustee of the MyLifeMyMoney Superannuation Fund.

MyLifeMyMoney is an industry super fund and profit-to-member master trust, offering award-winning superannuation, pension, retirement and financial planning services to Australians. Established in 1971, we are one of the longest serving super and retirement businesses.

We currently manage \$7.3 billion (as at 30 June 2016) on behalf of approximately 8,000 businesses and 77,000 members, and are committed to giving our members lifelong financial peace of mind.

Board Chair & CEO's report

Peter Bugden, Board Chair



Thank you for entrusting us with your superannuation and retirement savings in what has been a turbulent year for investment returns in the superannuation industry.

We are proud to say that our Fund has weathered the storms because of our robust strategies and excellent staff.



Frank Pegan, CEO

The 2015-16 financial year has been one of taking stock of ourselves as a business to ensure that we are adapting to the changing needs of our members. We have focused on planning, strategy and building a structure for CSF Pty Ltd to successfully grow and change in 2017 and beyond.

After consulting with our Board and staff, we have built on the strategies that have stood the test of time and developed new ones to keep us relevant in an ever changing market. These strategies included:

- Revising our mission statement to providing **lifelong financial peace of mind** for our members

- Welcoming a credit union into the CSF family to provide banking and lending solutions to our members – this important step has made us the only super fund in Australia to own a Financial Services Licence
- Meeting with other super funds that hold similar values and aspirations to look at opportunities to merge and benefit members of both funds, and
- Reviewing how we offered our pensions, with the aim of making them available to more of our members.

We are still actively involved in the Investor Group on Climate Change and represented the Fund at the United Nations Climate Change Conference (COP21) in France and at the Vatican.

We believe super funds can use their influence to reduce the damages of climate change, while also making a profit for the people they represent.

Our responsible investment position makes us one of the most ethical and successful super funds. All our staff genuinely care about our members' security in retirement and live the values of integrity, respect, trust, compassion and humility.

In the years to come, we will continue demonstrating the values that have made us one of Australia's most trusted super funds as we focus on growing our members' savings, services and experiences.

Thank you.

“We take the responsibility of investing our members’ money very seriously. At the end of the day we want you to relax in the knowledge that the hard investing work has been done.”



About the Board of Directors

The role of the Board is to ensure that the Fund is operated and managed in the best interests of members and in accordance with its governing rules and superannuation legislation.

The Board meets in accordance with a schedule of meetings that is established prior to the start of each calendar year.

The Board consists of equal numbers of member and employer representative Directors who are elected by members and employers respectively.

Congratulations to Mr Peter Haysey who was re-elected as a member Representative Director during our 2016 Trustee Board election.

The current Directors (as at 31 October 2016) are:

Member Representative Directors

John Mildren	Manager, Schools and Senior Secondary, Victorian Registration and Qualifications Authority
John Connors	Principal, Resurrection Catholic Primary School, Kings Park, Victoria
Deb James	General Secretary, Independent Education Union Victoria Tasmania
Peter Haysey	Retired
Gregory Quinn	Assistant Dean of Learning, Ambrose Treacy College, Indooroopilly, Queensland

Employer Representative Directors

Peter Bugden	Chair
Marcia Clohesy	Retired
Carolyn Harkin	Self-employed
Chris Harkin	Retired
Paul Murphy	General Manager, St Luke's Green, Woolloongabba, Queensland

Trustee Committees

The Trustee Board has a number of Committees and Management groups, all chaired by a Director, to which it delegates various responsibilities. These are:

- Risk Management Committee
- Audit Committee
- Investment Management Group
- Insurance Reference Group
- Remuneration & Nomination Committee.



From left to right: John Connors, Carolyn Harkin, Peter Haysey, Marcia Clohesy, Greg Quinn, Peter Bugden, Chris Harkin, Debra James, Paul Murphy, John Mildren.

Board Remuneration

Directors receive sitting fees for their services and presently are remunerated between \$36,000 and \$52,000 depending upon whether or not they sit on committees.

The Chair receives \$105,391 in total remuneration for fulfilling his responsibilities as Chair of CSF Pty Ltd and those associated companies of which the Trustee is the owner or a major investor.

Executive Remuneration

Total remuneration bands* as at 30 June 2016	Number of key management personnel in band
\$100,000 – \$200,000	0
\$200,001 – \$300,000	0
\$300,001 – \$400,000	6
\$400,001 – Above	1
Total executive remuneration paid by the Trustee Company	\$2,338,051

* Total remuneration for key executives includes cash salary, non-monetary benefits (e.g. provision of company vehicle) and superannuation. Key executive personnel are not remunerated with variable performance payments of any kind and remuneration is fixed.

Reviews of salary are conducted annually, at which time remuneration is compared with internal and external benchmarks to ensure it is aligned with market medians. Depending on performance and relativities, an adjustment to salary generally no larger than the AWOTE movement may be made annually to salary.

Key executive personnel are defined as those individuals who form part of the leadership team and have a key role in determining and executing the strategic objectives of the Fund.

Current key executive personnel of the Fund include:

- F. Pegan, Chief Executive Officer
- G. Lette, Chief Investment Officer
- T. Sammann, Executive Officer – Finance, Risk & Compliance
- R. Clancy, Institutional Relations
- E. Wooden, Chief Operating Officer
- D. O’Sullivan, Chief Risk Officer
- J. Farrugia, Company Secretary.

Other people who help us manage the Fund

The Trustee employs various professional advisers and service providers to assist in the management of the Fund. The Trustee is not associated with any of these organisations.

Administration –
Mercer Outsourcing (Australia) Pty Ltd

Master Custodian – NAB Asset Servicing

Investment Managers –
Refer to ‘Where your money was invested’ on page 17 for a full list of managers

Bank – Westpac Banking Corporation

Investment Consultant –
JANA Investment Advisers

Auditor – Grant Thornton

Tax Advisor – PricewaterhouseCoopers

Insurer – TAL Life Limited

Our performance

2015/16 year in review



Garrie Lette,
Chief Investment Officer

Staying afloat in stormy seas

After a 3 year period of double-digit returns, the 2015/16 financial year brought more challenging times for Australian superannuation funds.

The financial year was highlighted by:

- **Two significant equity market corrections, firstly through August, and secondly from early-January until mid-February.** The Australian share market fell by around 12% between end-July and 24 August 2015 and again by 10% between the start of January and mid-February 2016, having recovered most of the August losses in the meantime.
- **A very strong recovery from mid-February through to the end of the year.** This recovery meant that the domestic share market finished virtually flat for the full year, taking dividends into account.
- **Right at the end of the financial year, substantial volatility as a result of the UK's Brexit vote.** However, the initial losses in most equity markets were very quickly covered.

In this more challenging environment we are pleased to report that performance of our portfolios has generally held up well. The financial year return for each of our Managed Choice options is presented in the following table.

Option	Superannuation (%, after tax and fees)	Pension (%, after tax and fees)
Aggressive	5.7	6.2
Moderately Aggressive	5.9	6.6
Balanced (MySuper)	5.7	6.7
Conservative Balanced	5.7	6.5
Moderately Conservative	5.6	6.3
Conservative	5.4	6.2
RetirePlus	5.3	6.0
RetireStable	4.2	5.3

These final returns are considerably below those recorded in 2012/13, 2013/14 and 2014/15. For instance, our Balanced Option (superannuation) returned 14.1%, 12.3% and 9.8% respectively in those years. Nonetheless, they are actually slightly above our average annual long-term expected return, based on our long-term CPI-based objectives (CPI plus 3% per annum over rolling 10 year periods for our Balanced superannuation option).

The pattern of returns through the year for our various options was broadly as expected. When markets were falling, our Aggressive and Moderately Aggressive options suffered the most but they recovered the most in the rally from mid-February. It was encouraging to see that our pension-oriented options, RetirePlus and RetireStable, provided good protection during the periods when markets were falling most sharply.

All things considered, we are pleased to report that our portfolios have weathered the storm pretty well over the last year and have broadly performed "true to label".

Of course, returns for a single year in isolation are of limited relevance. The good news here is that the solid results achieved this year consolidate our sound long term performance record.

Returns for the 10 year period ending June 2016 are shown in the following table. Please note that our Conservative Balanced, RetirePlus and RetireStable options have not been in existence for 10 years and so are excluded from the table.

Option	Superannuation (%, after tax and fees)	Pension (%, after tax and fees)
Aggressive	6.9	7.5
Moderately Aggressive	6.6	7.4
Balanced (MySuper)	6.3	7.1
Moderately Conservative	5.8	6.6
Conservative	5.8	6.6

In all cases, the returns over the 10 year period have exceeded our long-term real return objective.

If you wish to hear more about our performance over the long-term, or otherwise discuss your investment strategy, please contact one of our financial planners.

Investment policy

Investment policy

The broad investment aim of the Trustee is to maximise the Fund's long-term investment returns, subject to acceptable risk parameters (which vary across the options). Each investment option has clearly defined investment objectives and strategies.

These are shown in the tables on the following pages. For full details, ask for a copy of our Investment Policy Statement by calling **03 9648 4700**.

The Trustee employs a number of professional investment managers to manage the assets of the Fund. With the assistance of the appointed Investment Consultant, the Trustee monitors and reviews the performance of each investment manager on a regular basis, adding or removing managers from time to time as appropriate. In addition, all of the Fund's assets are held by a Custodian to ensure the security of your super. No more than 10% of the Fund or of any investment option is expected to be invested in any one underlying asset or security.

During the financial year ended 30 June 2016, the Trustee was not aware of any individual investments, or any combination of investments, that were invested either directly or indirectly in any single enterprise or group of associated enterprises, that had a total value of more than 5% of the Fund's total assets.

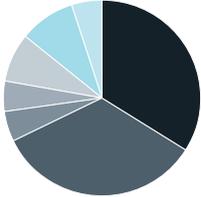
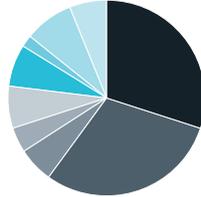
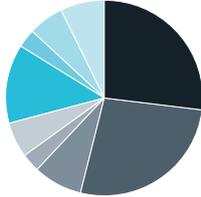
Use of derivatives

Derivatives are securities that derive their value from another security, e.g. futures and options. The Trustee does not directly utilise derivative instruments and does not intend to do so.

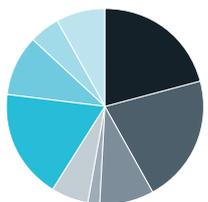
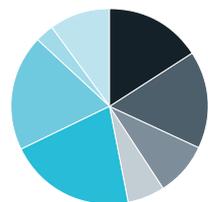
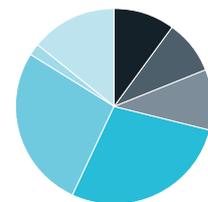
External investment managers may utilise derivatives in managing the investments of the Fund. Where this is the case, the Trustee confirms with the relevant investment managers on an annual basis that they have appropriate risk management processes in place in relation to the use of derivatives and the purposes for which they are used.

Investment objectives and strategies

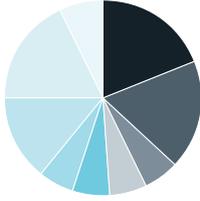
Managed Choice options

Investment objectives	Aggressive	Moderately Aggressive	Balanced																																																								
Most suitable for	Members with a very long timeframe who can tolerate a high degree of risk and understand that the option is predominantly invested in Australian and overseas shares.	Members with a long term investment timeframe who are prepared to accept material fluctuations in returns over the shorter term.	Members seeking moderate to high levels of capital growth over the long term.																																																								
Aim	To achieve strong investment returns over the long term. Returns are likely to be extremely volatile and risk of capital loss over short to medium term periods is very high.	To achieve attractive returns over the long term. Returns are likely to be very volatile and risk of capital loss of short to medium term periods is high.	To achieve favourable returns over the long term. Returns are likely to be volatile and a risk of capital loss over short to medium term periods is substantial.																																																								
Return objective	CPI + 4.0% over rolling 10 years	CPI + 3.5% over rolling 10 years	CPI + 3.0% over rolling 10 years																																																								
Standard Risk Measure	Estimated number of negative annual returns over any 20 year period, 4 to less than 6 years.	Estimated number of negative annual returns over any 20 year period, 4 to less than 6 years.	Estimated number of negative annual returns over any 20 year period, 3 to less than 4 years.																																																								
Risk Band and Label	Risk Band 6, High	Risk Band 6, High	Risk Band 5, Medium to High																																																								
Target asset allocation	94% Growth assets, 6% defensive assets	80% Growth assets, 20% defensive assets	70% Growth assets, 30% defensive assets																																																								
Suggested minimum timeframe	Very long (7 – 10 years +)	Very long (7 – 10 years +)	Long (5 – 10 years +)																																																								
Strategic asset allocation	<ul style="list-style-type: none"> ● Australian Shares 34% ● Overseas Shares 34% ● Property 5% ● Private Equity 5% ● Growth Alternatives 8% ● Infrastructure 9% ● Defensive Alternatives 5% 	<ul style="list-style-type: none"> ● Australian Shares 30% ● Overseas Shares 30% ● Property 6% ● Private Equity 4% ● Growth Alternatives 7% ● Fixed Interest 7% ● Cash 2% ● Infrastructure 8% ● Defensive Alternatives 6% 	<ul style="list-style-type: none"> ● Australian Shares 27% ● Overseas Shares 27% ● Property 8% ● Private Equity 3% ● Growth Alternatives 6% ● Fixed Interest 13% ● Cash 3% ● Infrastructure 6% ● Defensive Alternatives 7% 																																																								
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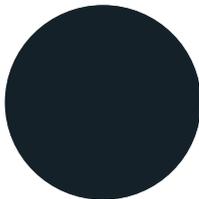
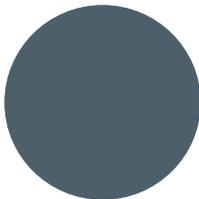
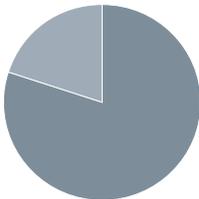
Investment objectives and strategies (continued)

Investment objectives	Conservative Balanced	Moderately Conservative	Conservative																																																						
Most suitable for	Members seeking an investment option which has a relatively neutral allocation between both growth assets and defensive assets.	Members seeking moderate capital growth over the short to medium term with moderate levels of volatility.	Members seeking some capital growth over the short to medium term while minimising the risk of capital loss.																																																						
Aim	To achieve solid long term returns over the long term. Returns are likely to be moderately volatile and risk of capital loss over short to medium term periods is significant.	To achieve reasonable returns over the long term. Volatility of returns is likely to be lower than that of more equity-oriented options, although still significant. The risk of capital loss over short to medium term periods is also expected to be lower than that of more equity-orientated options, although still significant.	To minimise the risk of loss of capital, whilst accepting that this is likely to result in lower investment returns over the long term. Volatility of returns is likely to be lower than that of more equity-oriented options, although still material, and over short to medium term periods some risk of capital loss exists.																																																						
Return objective	CPI + 2.75% over rolling 10 years	CPI + 2.5% over rolling 10 years	CPI + 2.0% over rolling 10 years																																																						
Standard Risk Measure	Estimated number of negative annual returns over any 20 year period, 3 to less than 4 years.	Estimated number of negative annual returns over any 20 year period, 2 to less than 3 years.	Estimated number of negative annual returns over any 20 year period, 1 to less than 2 years.																																																						
Risk Band and Label	Risk Band 5, Medium to High	Risk Band 4, Medium	Risk Band 3, Low to Medium																																																						
Target asset allocation	55% Growth assets, 45% defensive assets	40% Growth assets, 60% defensive assets	25% Growth assets, 75% defensive assets																																																						
Suggested minimum timeframe	Medium (5 years +)	Short to Medium (3 – 5 years +)	Short to Medium (3 years +)																																																						
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Property	0-25																																																								
Fixed Interest	10-45																																																								
Cash	20-55																																																								
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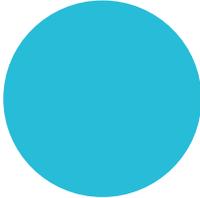
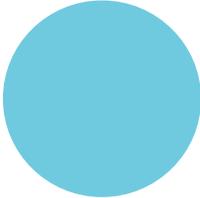
Investment objectives and strategies (continued)

Investment objectives	RetirePlus	RetireStable																																										
Most suitable for	Members seeking returns above the rate of inflation over the long term who are looking for additional protection against inflation and market risk.	Members seeking returns above the rate of inflation over the long term who are looking for additional protection against inflation and market risk but with less growth-oriented assets than RetirePlus																																										
Aim	To achieve solid investment returns over the long term. Compared with other options with a similar overall risk profile, RetirePlus is expected to provide some additional protection against key risks facing those in or approaching retirement, being market risk and inflation risk. Returns are expected to be moderately volatile and risk of capital loss over short to medium periods is significant although lower than that of more equity-oriented options.	To invest in a diversified portfolio of assets with a lower exposure to listed equities and other growth-oriented assets than RetirePlus, accepting that this is likely to result in lower returns over the long term. RetireStable is expected to provide some additional protection against key risks facing those in or approaching retirement, being market risk and inflation risk. Returns are expected to be more stable relative to those of more equity-oriented options.																																										
Return objective	CPI + 2.5% over rolling 10 years	CPI + 2.0% over rolling 10 years																																										
Standard Risk Measure	Estimated number of negative annual returns over any 20 year period, 2 to less than 3 years.	Estimated number of negative annual returns over any 20 year period, 1 to less than 2 years.																																										
Risk Band and Label	Risk Band 4, Medium	Risk Band 3, Low to Medium																																										
Target asset allocation	50% Growth assets, 50% defensive assets	25% Growth Assets, 75% Defensive Assets																																										
Suggested minimum timeframe	Medium (5 years +)	Short to medium (3-5 years +)																																										
Strategic asset allocation	<ul style="list-style-type: none"> ● Australian Shares 19% ● Overseas Shares 18% ● Property 6% ● Growth Alternatives 6% ● Cash 6% ● Infrastructure 6% ● Defensive Alternatives 14% ● Inflation Linked Securities 18% ● Target Return 7% 	<ul style="list-style-type: none"> ● Australian Shares 11% ● Overseas Shares 10% ● Property 6% ● Growth Alternatives 5% ● Fixed Interest 12% ● Cash 14% ● Infrastructure 5% ● Defensive Alternatives 13% ● Inflation Linked Securities 18% ● Target Return 6% 																																										
Asset allocation ranges	<table border="0"> <thead> <tr> <th>Asset class</th> <th>Asset range %</th> </tr> </thead> <tbody> <tr><td>Australian Shares</td><td>10-40</td></tr> <tr><td>Overseas Shares</td><td>10-40</td></tr> <tr><td>Property</td><td>0-15</td></tr> <tr><td>Growth Alternatives</td><td>0-15</td></tr> <tr><td>Cash</td><td>0-20</td></tr> <tr><td>Infrastructure</td><td>0-15</td></tr> <tr><td>Defensive Alternatives</td><td>5-30</td></tr> <tr><td>Inflation Linked Securities</td><td>5-30</td></tr> <tr><td>Target Return</td><td>0-20</td></tr> </tbody> </table>	Asset class	Asset range %	Australian Shares	10-40	Overseas Shares	10-40	Property	0-15	Growth Alternatives	0-15	Cash	0-20	Infrastructure	0-15	Defensive Alternatives	5-30	Inflation Linked Securities	5-30	Target Return	0-20	<table border="0"> <thead> <tr> <th>Asset class</th> <th>Asset range %</th> </tr> </thead> <tbody> <tr><td>Australian Shares</td><td>5-25</td></tr> <tr><td>Overseas Shares</td><td>5-25</td></tr> <tr><td>Property</td><td>0-20</td></tr> <tr><td>Growth Alternatives</td><td>0-15</td></tr> <tr><td>Cash</td><td>0-30</td></tr> <tr><td>Infrastructure</td><td>0-15</td></tr> <tr><td>Defensive Alternatives</td><td>5-25</td></tr> <tr><td>Inflation Linked Securities</td><td>5-30</td></tr> <tr><td>Target Return</td><td>0-15</td></tr> <tr><td>Fixed Interest</td><td>5-25</td></tr> </tbody> </table>	Asset class	Asset range %	Australian Shares	5-25	Overseas Shares	5-25	Property	0-20	Growth Alternatives	0-15	Cash	0-30	Infrastructure	0-15	Defensive Alternatives	5-25	Inflation Linked Securities	5-30	Target Return	0-15	Fixed Interest	5-25
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Investment objectives and strategies (continued)

Investment objectives	Australian Shares	Overseas Shares	Property
Most suitable for	Members who seek capital growth over the longer term and are willing to accept the fluctuations associated with the Australian Stock Exchange.	Members who seek capital growth over the longer term and are willing to accept fluctuations with world share markets and currencies.	Members seeking a relatively stable income stream with the potential for capital growth over the longer term.
Aim	To achieve strong investments returns. Returns are likely to be very volatile and risk of capital loss over short to medium term periods is very high.	To achieve strong investment returns. Returns are likely to be very volatile and risk of capital loss over short to medium term periods is very high.	To achieve solid investment returns. Risk of capital loss over short to medium term periods is significant.
Return objective	CPI + 4.0% over rolling 10 years	CPI + 4.0% over rolling 10 years	CPI + 3.0% over rolling 10 years
Standard Risk Measure	Estimated number of negative annual returns over any 20 year period, 6 or greater.	Estimated number of negative annual returns over any 20 year period, 4 to less than 6 years.	Estimated number of negative annual returns over any 20 year period, 3 to less than 4 years.
Risk Band and Label	Risk Band 7, Very High	Risk Band 6, High	Risk Band 5, Medium to High
Target asset allocation	100% Growth assets	100% Growth assets	20% Growth assets, 80% defensive assets
Suggested minimum timeframe	Very long (7 – 10 years +)	Very long (7 – 10 years +)	Long (5 – 10 years +)
Strategic asset allocation	<ul style="list-style-type: none"> ● Australian Shares 100% 	<ul style="list-style-type: none"> ● Overseas Shares 100% 	<ul style="list-style-type: none"> ● Property 80% ● Listed Property 20% 

Investment objectives and strategies (continued)

Investment objectives	Diversified Fixed Interest	Cash
Most suitable for	Members seeking an investment with a secure income stream but acknowledging that there are risks of capital losses when interest rates rise.	Members seeking an investment with a high level of security of capital value over short term periods but with the expectation of relatively low returns over the longer term.
Aim	To achieve positive real returns over the medium to long term with volatility of returns expected to be lower than that of equities options.	To produce a return equal to or above the official cash rate.
Return objective	CPI + 2.0% over rolling 10 years	To achieve positive returns in all monthly periods
Standard Risk Measure	Estimated number of negative annual returns over any 20 year period, 1 to less than 2.	Estimated number of negative annual returns over any 20 year period, less than 0.5.
Risk Band and Label	Risk Band 3, Low to Medium	Risk Band 1, Very Low
Target asset allocation	100% defensive assets	100% defensive assets
Suggested minimum timeframe	Medium (3 – 5 years +)	Short (1 year +)
Strategic asset allocation	<p>● Fixed Interest 100%</p> 	<p>● Cash 100%</p> 

Investment returns

The tables below show the performance of our investment options over the longer term and the last financial year for both Super and Pension accounts. Returns shown are after all fees and taxes as at 30 June 2016.

The actual returns credited to a member's account balance will be influenced by the timing of payments into and out of the account, allowing for contributions, taxes, fees and switches between investment options.

Super returns	10 yrs pa	7 year pa	5 yrs pa	3 yrs pa	1 yr
Aggressive	6.9%	10.5%	9.9%	10.8%	5.7%
Moderately Aggressive	6.6%	9.7%	9.1%	9.8%	5.9%
Balanced (MySuper)	6.3%	8.9%	8.4%	9.2%	5.7%
Conservative Balanced	N/A	N/A	N/A	8.0%	5.7%
Moderately Conservative	5.8%	7.6%	7.1%	7.2%	5.6%
Conservative	5.8%	6.7%	6.4%	6.3%	5.4%
RetirePlus	N/A	N/A	N/A	7.5%	5.3%
Retire Stable	N/A	N/A	N/A	N/A	4.2%
Australian Shares	7.3%	10.6%	8.8%	11.4%	8.0%
Overseas Shares	5.6%	10.2%	11.2%	11.7%	2.5%
Property	7.5%	9.6%	9.3%	10.7%	13.3%
Diversified Fixed Interest	4.6%	5.1%	4.9%	4.3%	4.6%
Cash	4.0%	3.4%	3.1%	2.5%	2.4%
FlexiTerm Deposit [^]	N/A	N/A	N/A	2.8%	2.5%

Pension returns	10 yrs pa	7 year pa	5 yrs pa	3 yrs pa	1 yr
Aggressive	7.5%	11.7%	11.0%	11.9%	6.2%
Moderately Aggressive	7.4%	10.9%	10.3%	10.9%	6.6%
Balanced (MySuper)	7.1%	10.1%	9.6%	10.5%	6.7%
Conservative Balanced	N/A	N/A	N/A	9.1%	6.5%
Moderately Conservative	6.6%	8.7%	8.1%	8.2%	6.3%
Conservative	6.6%	7.7%	7.4%	7.3%	6.2%
RetirePlus	N/A	N/A	N/A	8.5%	6.0%
RetireStable	N/A	N/A	N/A	N/A	5.3%
Australian Shares	7.7%	11.2%	9.2%	11.9%	8.3%
Overseas Shares	6.5%	12.3%	13.3%	13.4%	2.7%
Property	8.1%	10.3%	10.2%	11.6%	14.4%
Diversified Fixed Interest	5.4%	6.0%	5.7%	5.0%	5.4%
Cash	4.6%	4.0%	3.6%	2.9%	2.8%
FlexiTerm Deposit [^]	N/A	N/A	N/A	3.2%	2.9%

Detailed Investment Performance of the Fund. Returns shown after fees. Past performance is not a guarantee of future performance.

[^] FlexiTerm Deposit option commenced on 23 October 2012 and closed to new investments on 1 March 2016.

Please note: RetireStable commenced on 1 April 2015; RetirePlus and Conservative Balanced commenced on 22 June 2012; therefore no longer-term performance information is available for these three investment options.

How returns are allocated

Unit prices

The Fund uses a 'unitised' system which was introduced on 1 July 2003. Each member is assigned a number of units corresponding to the dollar value of their account.

The value of those units, called the 'unit price', is updated weekly. The unit price moves up or down depending on the investment performance of each investment option.

As contributions are added to a member's account, units are purchased at the latest unit price. When a member leaves the Fund or withdraws money, units are redeemed (sold) at the latest unit price.

Unit prices for each investment option are derived by dividing the market value of the Fund's assets, comprising each investment option, by the number of units on issue for the investment option, after allowing for non-member specific fees and taxes. Such fees include investment manager fees and custodian fees.

To work out the current value of an account balance, simply multiply the number of units held by the latest unit price available for the relevant investment option.

At the end of each financial year, the Fund takes the final unit prices and translates them into an annual return for each investment option. A member's statement shows the unit prices that apply to their chosen investment options, and also the returns earned over the financial year as a percentage.

Each member's return is influenced by the timing of contributions received, any withdrawals made, and any switches between investment options that may have taken place during the last financial year.

Fund reserves

Annual returns for each investment option are set closely in line with the actual investment return achieved on that option for the period concerned. However, a small reserve (generally less than 1% of assets) is maintained. The primary purpose of the reserve is to enable the Trustee to efficiently meet and mitigate the cost of an unexpected event on members and/or the Fund.

The reserve is a contingency reserve and is for short term funding requirements such as funding the rectification of errors where such costs are not met by third parties, or are recoverable from third parties or insurance but only at a much later stage. The reserve may also assist in meeting excesses applicable under insurance or indemnity arrangements.

The reserve may only be allocated with the authorization (in writing) of the Chief Executive Officer, and any allocation from the reserve must be reported to the next scheduled Board Audit Committee meeting.

The level of the reserve will be set at an amount as may be determined by the Trustee from time to time. The reserve is invested in higher interest earning cash accounts. Reserve movements over the last three years are shown below:

Financial Year	Reserve amount
2015/2016	\$54,219,468
2014/2015	\$25,975,901
2013/2014	\$39,547,853
2012/2013	\$51,772,088
2011/2012	\$19,440,755

“We want to help you with understanding and knowledge that empowers you to make decisions that benefit you and your family.”



Investment management fees

The base fee covers the cost of investing the Fund's assets and is reliant on the investment managers in place, their fee structure and the asset allocation for a particular financial year. It also covers the cost of custodian fees and investment advice.

Some of the Fund's investment managers charge performance fees when they exceed agreed performance benchmarks.

When performance fees are incurred, they are accompanied by a more than commensurate increase in returns by the investment manager.

If a manager does not meet agreed benchmarks, then no performance fee will be paid.

The table below shows the annual investment management fees for the

financial year ended 30 June 2016 in percentage terms as well as the equivalent dollar cost for every \$10,000 invested.

Note: Investment management fees will vary from year to year depending on the total amount of funds under management in each option, the investment managers appointed, and the investment performance of each option.

Managed Choice options	Percentage			Equivalent dollar cost per \$10,000		
	Base fee	Performance fee	Total fee	Base fee	Performance fee	Total fee
Aggressive	0.71%	0.18%	0.89%	\$71	\$18	\$89
Moderately Aggressive	0.68%	0.15%	0.83%	\$68	\$15	\$83
Balanced	0.70%	0.14%	0.84%	\$70	\$14	\$84
Conservative Balanced	0.59%	0.11%	0.70%	\$59	\$11	\$70
Moderately Conservative	0.52%	0.08%	0.60%	\$52	\$8	\$60
Conservative	0.45%	0.05%	0.50%	\$45	\$5	\$50
RetirePlus	0.56%	0.05%	0.61%	\$56	\$5	\$61
RetireStable	0.51%	0.03%	0.54%	\$51	\$3	\$54

Build Your Own options	Base fee	Performance fee	Total fee	Base fee	Performance fee	Total fee
Australian Shares	0.47%	0.42%	0.89%	\$47	\$42	\$89
Overseas Shares	0.65%	0.12%	0.77%	\$65	\$12	\$77
Property	0.61%	0.00%	0.61%	\$61	\$0	\$61
Diversified Fixed Interest	0.38%	0.00%	0.38%	\$38	\$0	\$38
Cash	0.07%	0.00%	0.07%	\$7	\$0	\$7
FlexiTerm Deposit	0.19%	0.00%	0.19%	\$19	\$0	\$19

The base investment management fee and performance fee is calculated using the 2015/2016 financial year data.

Where your money was invested

Investment managers

This table shows the investment managers appointed by the Fund, for each asset class as at 31 October 2016. These managers may change from time to time.

Asset Class	Investment Managers	Asset Class	Investment Managers
Australian Shares	Allan Gray Australia Alliance Bernstein Cooper Investors L1 Capital Ophir Asset Management Paradise Investment Management Plato Investment Management ReallIndex Investments Renaissance Asset Management	Infrastructure	Industry Funds Management Infrastructure Capital Group Macquarie Specialised Asset Management Lighthouse Infrastructure Management
Overseas Shares	Acadian Asset Management Copper Rock Capital Partners Generation Investment Management Janus Capital MFS Investment Management Northcape Capital Orbis Investment Advisory ReallIndex Investments Stewart Investors Thompson Horstmann and Bryant	Defensive Alternatives	Apollo Management BlackRock Asset Management BroadRiver Asset Management Industry Funds Management Morrison & Co Vinva Investment Management
Property	AMP Capital Investors Goodman Australia Industrial Fund GPT Wholesale Office Fund Lend Lease Real Estate Investment SG Hiscock	Growth Alternatives	Apollo Management Bentham Asset Management Campus Living Generation Investment Management Japara Healthcare Macquarie Agricultural Funds Management Macquarie Specialised Asset Management Oaktree Capital Management QEII Car Park Portfolio Shenkman Capital Management
Fixed Interest	AMP Capital Investors Apollo Management Industry Funds Management Members Equity Metrics Credit Partners	Private Equity	Continuity Capital Partners Global Energy Efficiency and Renewable Fund Harbour Vest Partners Limited Pantheon Ventures Limited Siguler Guff
Cash	Macquarie Funds Management	Currency	State Street Global Advisors
Term Deposits	Internally managed	Inflation Linked Securities	Ardea Investment Management
		Target Return	Standard Life

Fund accounts

Statement of Financial Position as at 30 June 2016

	30-Jun-16 (\$)	30-Jun-15 (\$)
ASSETS		
Cash and Cash Equivalents		
Cash at Bank	22,522,750	33,112,104
Cash Investments	766,381,696	793,308,192
Trade and Other Receivables		
Investments Receivable	174,197,631	–
Sundry Debtors	7,680	404,865
Prepayments	165,000	254,347
GST Receivable	183,898	111,961
Investments		
Australian Shares	1,672,466,131	1,559,246,028
International Shares	1,886,811,548	1,839,376,566
Unlisted Property	403,498,977	373,676,683
Listed Property	123,810,304	101,945,366
Diversified Fixed Interest	585,873,804	536,899,037
Private Equity	237,727,614	218,468,346
Alternatives - Growth	454,259,546	464,138,732
Alternatives - Defensive	676,563,312	627,410,750
Infrastructure	408,758,913	368,891,567
Target Return	38,220,216	20,573,364
Tax Assets		
Deferred Tax Asset	1,433,243	599,823
Other Assets		
Fixed Assets	3,518,368	3,337,581
TOTAL ASSETS	7,456,400,631	6,941,834,902
LIABILITIES		
Trade and Other Payables		
Benefits Payable	1,687,967	1,691,500
Accounts Payable	9,850,851	9,855,757
Tax Liabilities		
Current Tax Liability	11,842,102	15,131,477
Deferred Tax Liability	93,868,009	96,863,237
Provisions		
Provision for Employee Benefits	1,099,693	1,191,888
TOTAL LIABILITIES	118,348,622	124,733,859
NET ASSETS AVAILABLE TO PAY BENEFITS	7,338,052,009	6,817,101,043
Represented by:		
LIABILITY FOR ACCRUED BENEFITS		
Allocated to Members' Accounts – Superannuation	5,141,048,789	4,993,118,434
Allocated to Members' Accounts – Pension	2,088,613,625	1,798,006,708
Not Yet Allocated	54,170,127	–
Reserves	54,219,468	25,975,901
	7,338,052,009	6,817,101,043

Fund accounts (continued)

Operating Statement For The Year Ended 30 June 2016

	30-Jun-16 (\$)	30-Jun-15 (\$)
INVESTMENT REVENUE		
Interest	490,434	662,084
Distributions	354,509,342	244,160,041
Changes in Net Market Value	82,750,676	420,275,582
	437,750,452	665,097,707
CONTRIBUTIONS REVENUE		
Employer Contributions	330,434,760	312,047,469
Member Contributions	113,696,121	138,216,564
Transfers In	140,015,588	169,705,260
Government Contributions	713,480	3,664,676
	584,859,949	623,633,969
OTHER REVENUE		
Proceeds from Group Life Insurance	10,352,158	10,314,163
Other Income	2,551	5,663
TOTAL REVENUE	1,032,965,110	1,299,051,502
INVESTMENT EXPENSES		
Direct Investment Expenses	27,606,650	19,990,086
GROUP LIFE INSURANCE EXPENSES	26,672,988	23,646,205
GENERAL ADMINISTRATION EXPENSES		
Member Fee Expenses	5,836,977	5,481,588
Audit Fees	224,910	273,558
Operating Expenses	18,651,952	15,352,703
Anti-Detriment Payments	1,283,167	916,799
Superannuation Contributions Surcharge	(4,518)	(2,244)
TOTAL EXPENSES	80,272,126	65,658,695
BENEFITS ACCRUED AS A RESULT OF OPERATIONS BEFORE INCOME TAX	952,692,984	1,233,392,807
INCOME TAX EXPENSE	43,258,548	74,258,087
BENEFITS ACCRUED AS A RESULT OF OPERATIONS AFTER INCOME TAX	909,434,436	1,159,134,720

Other things you need to know

Eligible rollover fund

If you no longer work for a participating employer of the Fund, there are three ways to keep your account open. You could ask your new employer to send your contributions to your account with us, or you could make a personal contribution or rollover benefits from another super fund to your account with us.

If your account becomes inactive and falls below \$4,000, we may transfer your superannuation benefit to an eligible Rollover Fund (a fund that protects the value of your benefit).

The details of our eligible Rollover Fund are as follows:

AUSfund

Australia's Unclaimed Super Fund

Post: **Locked bag 5132,**

Parramatta NSW 2124

Email: **admin@ausfund.net.au**

Phone: **1300 361 798**

Internet: **ausfund.com.au**

International phone: **+61 3 9067 2525**

AUSfund is an eligible rollover fund into which lost super fund members or members with small inactive accounts are transferred. AUSfund has a low fee structure designed to protect members with small balances (e.g. \$14 administration fee per annum). Most members will continue to accumulate interest in AUSfund. AUSfund does not offer insurance cover.

If your account is transferred to AUSfund you will cease to be a member of the Fund. We encourage you to obtain a Product Disclosure Statement (PDS) from AUSfund in order to understand their fee structure and how they will manage your account balance.

Unclaimed monies

By law, the Fund must transfer lost super accounts with balances under \$4,000, or those that are unidentified and have been inactive for more than five years, to the Australian Taxation office (ATO). To find out more, visit ato.gov.au.

Temporary residents' benefits

The Fund is required to pay the super of former temporary residents to the ATO, if it has been more than six months since the former temporary resident employee departed Australia, and their visa has expired or been cancelled. Visit ato.gov.au for more information.

Compliance

The Fund is a regulated superannuation fund under the Superannuation Industry (Supervision) Act 1993. For the period 1 July 2015 to 30 June 2016, and all previous reporting periods, the Trustee is of the opinion that the Fund complied with all statutory requirements of superannuation, taxation and other relevant legislation, and that the Australian Prudential Regulation Authority (APRA) would be satisfied with the Fund's compliance for those years.

Trust Deed

The Fund is governed by a Trust Deed dated 11 January 1971, together with subsequent amendments.

The Deed was amended on 1 April 2015 to update it to a more modern style and in particular to change the name of the Fund to MyLifeMyMoney Superannuation Fund.



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Ashby House
1 Malone Street
Geelong
VIC 3220

Perth
St Brigid's Centre
60 John Street
Northbridge
WA 6003

Post

**PO Box 333
Collins Street West
VIC 8007**

Canberra
3/59 Wentworth Ave
Kingston
ACT 2604

Hobart
35 Tower Road
New Town
TAS 7008

Sydney
Polding Centre
7/133 Liverpool Street
Sydney
NSW 2000

Darwin
1 Dashwood Place
Darwin
NT 0820

Melbourne
1/535 Bourke Street
Melbourne
VIC 3000

Warrnambool
Suite 15
715 Raglan Parade
Warrnambool
VIC 3280

