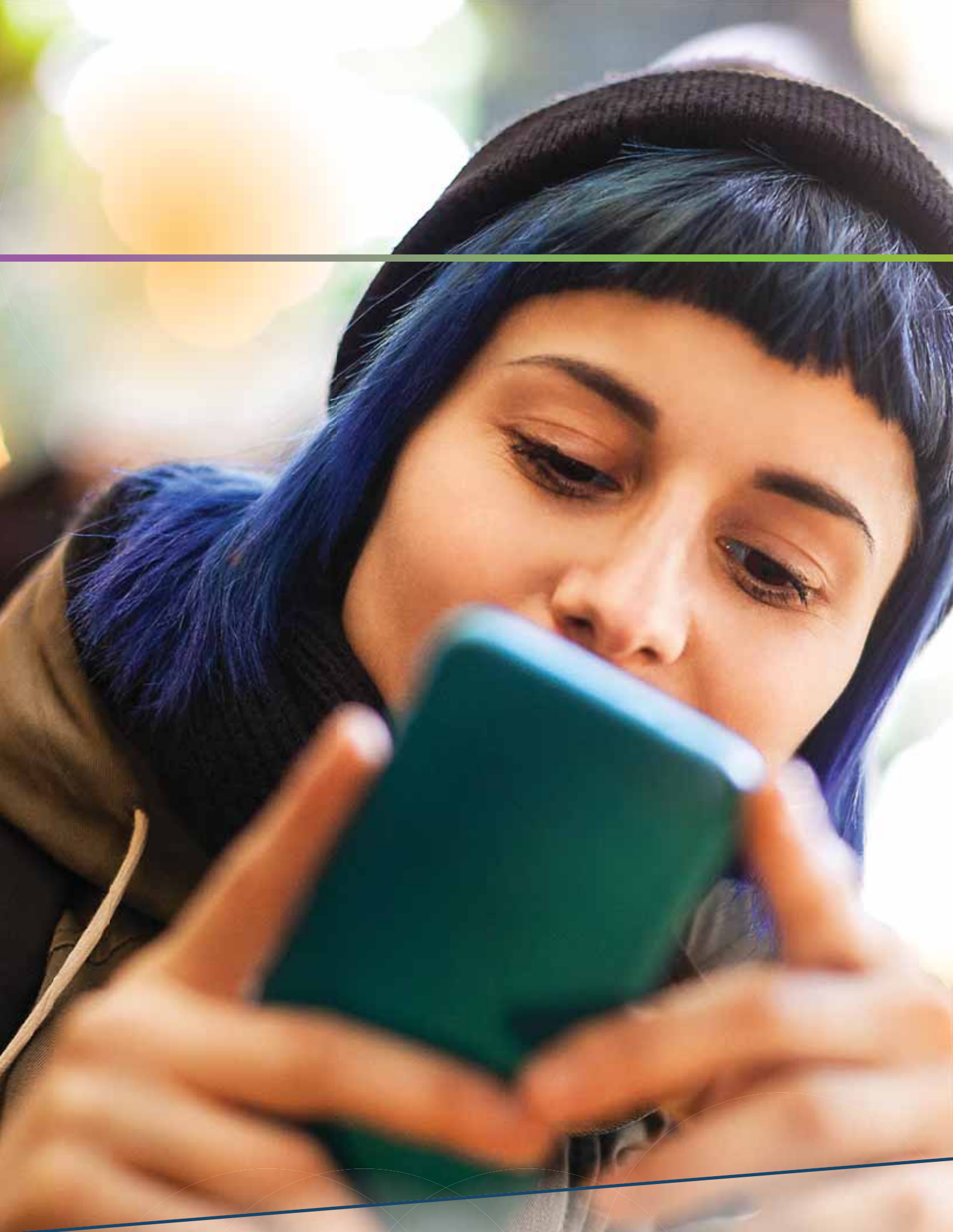




# Annual *Report*

2017/18



This Annual Report has been prepared and issued by Club Plus Superannuation Pty Limited ABN 26 003 217 990, AFSL No: 245362, RSE Licence No: L0000529, RSE Registration No: R1000757 the Trustee of Club Plus Superannuation Scheme (Club Plus Super) ABN 95 275 115 088. It should be read with your periodic statement for the 2017-18 financial year. To request a copy of the Annual Report free of charge, phone us on 1800 680 627.

# Contents

We believe in community, the value of belonging and the difference which high quality, personal service makes.

Year in review	4
A message from the Chair and CEO	6
Strategy Update	8
Important changes to Super and Pension	10
<b>Improving our members' experience</b>	
Marketing and Communications	12
Contact Centre	16
Member Services Managers	18
Investments - Year in review	22
Corporate Trustee	34
Club Plus Super accounts	39
Other important information	42



# Year in *review*

**81,175**

Total Members



**\$34,040**

Average Balance

**40**  
years

Average Age



50.7%



49.3%

Gender Balance

## A snapshot of some of our services



**56**

In club staff  
education sessions



**1,371**

Club visits by our  
Member Services  
Managers



**4,571**

Live Chat sessions



**143,723**

Kilometres driven by our  
Member Services Manager  
around NSW and the ACT



**7,225**

Outbound calls including  
'Welcome' calls



**34,265**

Calls received by  
our Contact Centre



**91%**

Of members with an  
email address 'opted' for  
digital communications

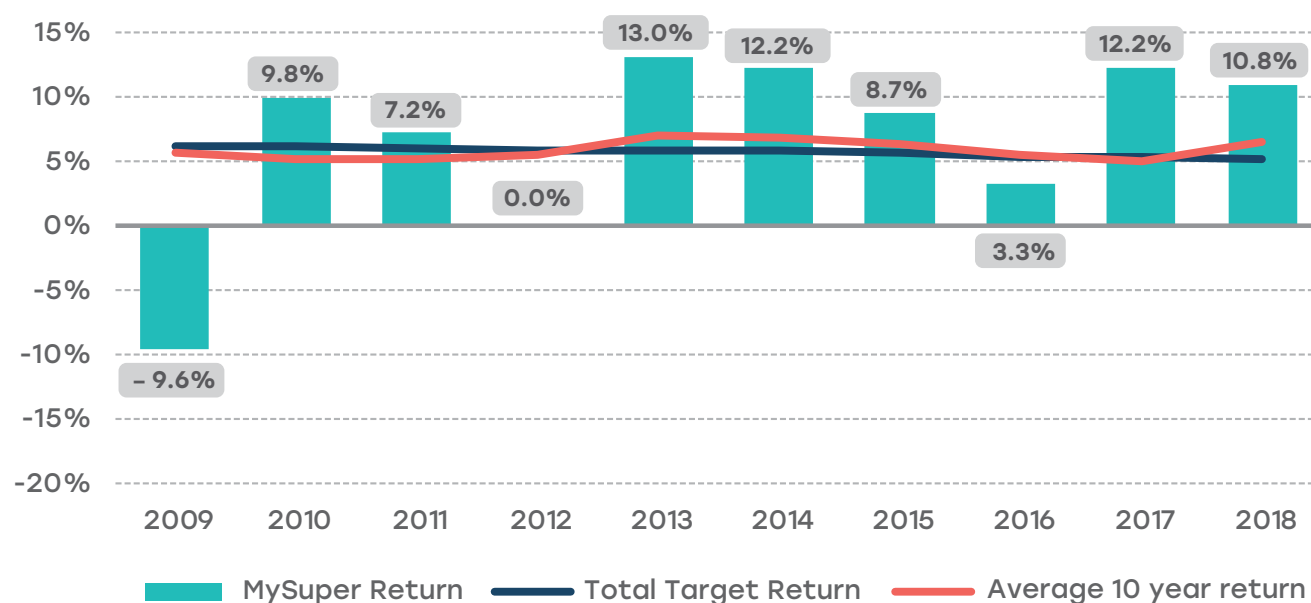


**13%**

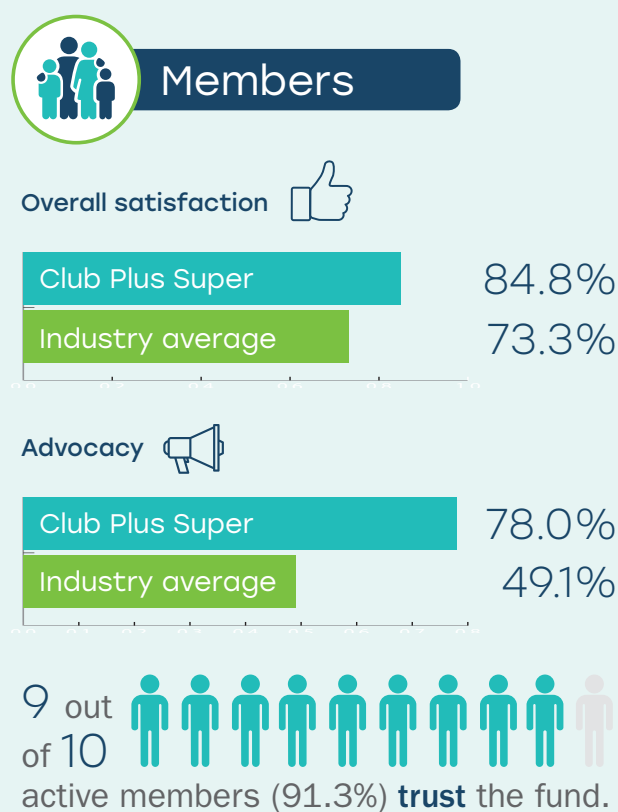
Increase in new users  
to our website since  
it's relaunch



## Investment Performance



## Survey says...



Coredata: Club Plus Super Member and Employer satisfaction surveys - November 2017.

# A message from the Chair & CEO

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Superannuation was headline news for much of the past year. As our industry implemented some of the biggest changes seen in decades and came under intense scrutiny, we worked closely with our members and employers, retaining a steadfast determination to deliver the best possible outcomes.

## **A clear purpose**

While the superannuation industry has changed remarkably over the past few decades and our fund has evolved significantly, our reason for existing or 'purpose' has remained firm. Our purpose is to "support and enhance the journey of our members to retire on their own terms" and as 'Trustees' for our members we believe it is our role to serve them, whilst growing and protecting their hard-earned superannuation.

During a year where the financial services industry was challenged and trust eroded, we believe this purpose and vision provided a clear focus for our team and supported the delivery of highly competitive member outcomes. We are proud to continue to hold the highest 'Platinum' ranking with SuperRatings for the eighth consecutive year as a 'best value for money' fund.<sup>^</sup>

# 10.8%

return for MySuper  
investment option  
for the financial year.

# Top 5

SuperRatings ranking for  
best performing balanced  
fund in Australia.\*

## Another year of strong results

Club Plus Super's MySuper or Balanced investment option (where the vast majority of our members are invested) delivered a 10.8% return for the 2017/18 financial year, significantly ahead of the average Australian super fund balanced option return of 9.2%.\*

Importantly, this pleasing result placed Club Plus Super in the top five of all super funds for the financial year, for the second time in a row. As a result, Club Plus Super now ranks within the top ten best performing funds in Australia over the past 3 years and has delivered a 10-year return above that of the average super fund.\*

## In it for the long run

Club Plus Super continued to implement significant measures through the year to position our business for the future. We further developed our member and employer value proposition, conducted staff engagement and risk culture surveys as part of the implementation of our new people and culture management framework and we continued to evolve our governance structures around risk, investment management and insurance.

We implemented a new insurance offering to members reducing premiums for the vast majority of our members (particularly younger members), while also establishing new member research and analysis to continue to improve our insurance program for members in the years ahead. We believe these steps will allow us to continue to deliver high quality, top value for money outcomes for our members in the future.

## A boutique approach

Club Plus Super serves 80,000 members – a lot of people by anyone's standard. Yet in the context of the Australian superannuation industry where some funds have two million members, we're a boutique fund. That means we can specialise in our sector and focus on meaningful member engagement.

As the superannuation industry continues to evolve, the product and service needs of our members is becoming more complex. We believe people will increasingly need the support of

a fund that offers the best possible member experience – which spans across digital tools as well as the support of easy to follow information and helpful people. To facilitate this approach, Club Plus Super established a dedicated member experience team during the past year, combining member servicing, an internal contact centre, marketing and communications. A major project is also underway to bring together technology and operations to support a more seamless member experience.

By placing our members at the heart of our business as we grow, we are committed to being highly accessible and able to offer assistance in the manner that suits them best. That means if our members need support, they can sit down for a chat with us at a local club, give our head office a call directly or interact with their super via an interactive statement, their online member portal or the instant chat function on their phone.

## Changes to the team

Following the development of the new Club Plus Super Strategic Plan in 2017, we expanded the Executive Management Team during the 2017/18 Financial Year with the establishment of three new positions; Head of Business Operations, Head of Partnerships and Growth and Head of Member Experience. David Barton joined the Fund as Head of Business Operations and two long-serving members of the team were promoted to the newly established positions - Tracey McDonald as Head of Member Experience and Craig O'Loughlin as Head of Partnerships and Growth.

There were also changes to the Board during the year. Club Plus Super welcomed Jingmin Qian (effective May 2018) and Nick Lucchinelli (effective August 2018) to the Board and acknowledged the departure of Dominique Hogan-Doran and Peter Bentley. On behalf of the Board and Executive Management Team we sincerely thank Dominique and Peter for their valued contribution and service to Club Plus Super.

Tara Moriarty, Chair

Stefan Strano, CEO

<sup>^</sup> SuperRatings Benchmark Report 2018

<sup>\*</sup> SuperRatings (data sourced from [superratings.com.au/superratings-top-10/](http://superratings.com.au/superratings-top-10/)) as well as media release entitled 'Super members can expect a better second half to 2018'. Available at: [superratings.com.au/2018/07/19/super-members-can-expect-a-better-second-half-to-2018/](http://superratings.com.au/2018/07/19/super-members-can-expect-a-better-second-half-to-2018/)

Note: Past performance is not a reliable indication of future returns.



# Strategy Update

**Vision:** Bigger and better, trusted and respected

*“Our ambition to grow is founded in a belief that with scale comes opportunity to deliver more to members – but that should never come at the cost of losing the ability to provide high quality, meaningful, personal service”.*

## Our vision

The Fund’s vision outlines the need to ensure we maintain ongoing economies of scale and positive cash flow in order to deliver the best possible performance, value and services to members. Our vision also acknowledges the vital role the trust and respect of our members plays in the strength of our brand.

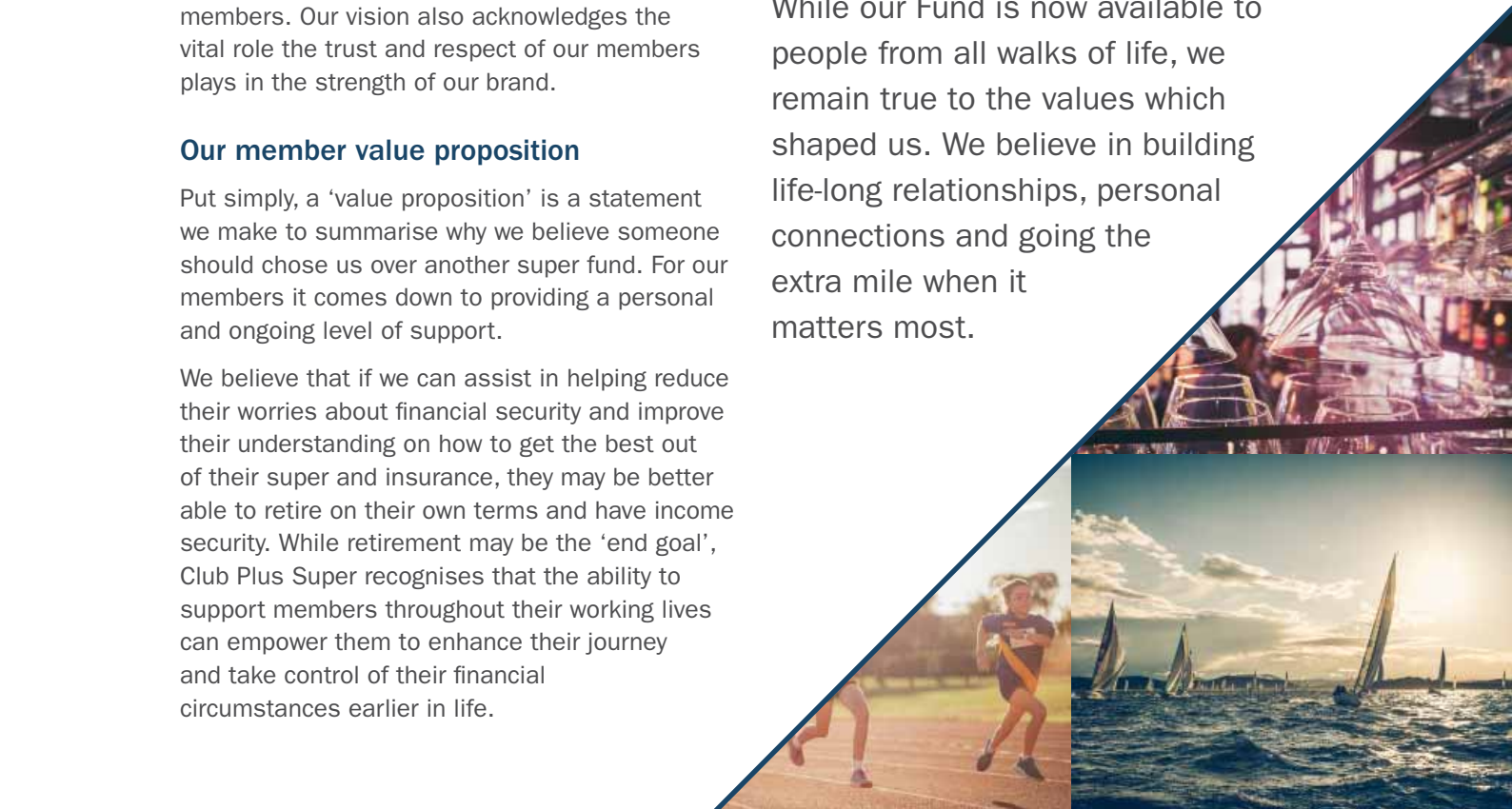
## Our member value proposition

Put simply, a ‘value proposition’ is a statement we make to summarise why we believe someone should choose us over another super fund. For our members it comes down to providing a personal and ongoing level of support.

We believe that if we can assist in helping reduce their worries about financial security and improve their understanding on how to get the best out of their super and insurance, they may be better able to retire on their own terms and have income security. While retirement may be the ‘end goal’, Club Plus Super recognises that the ability to support members throughout their working lives can empower them to enhance their journey and take control of their financial circumstances earlier in life.

In an effort to continue to deliver on this value proposition, we will focus on understanding our members better using enhanced data analytics and digital tools and implementing a simpler and more streamlined process for joining Club Plus Super. We are also working with our employers to provide financial well-being assistance support for their employees to strengthen their financial literacy levels. This includes providing information to help them understand their finances, see the benefits of starting early and compound interest, avoiding the pitfalls of having multiple accounts or paying any unnecessary fees or premiums.

While our Fund is now available to people from all walks of life, we remain true to the values which shaped us. We believe in building life-long relationships, personal connections and going the extra mile when it matters most.







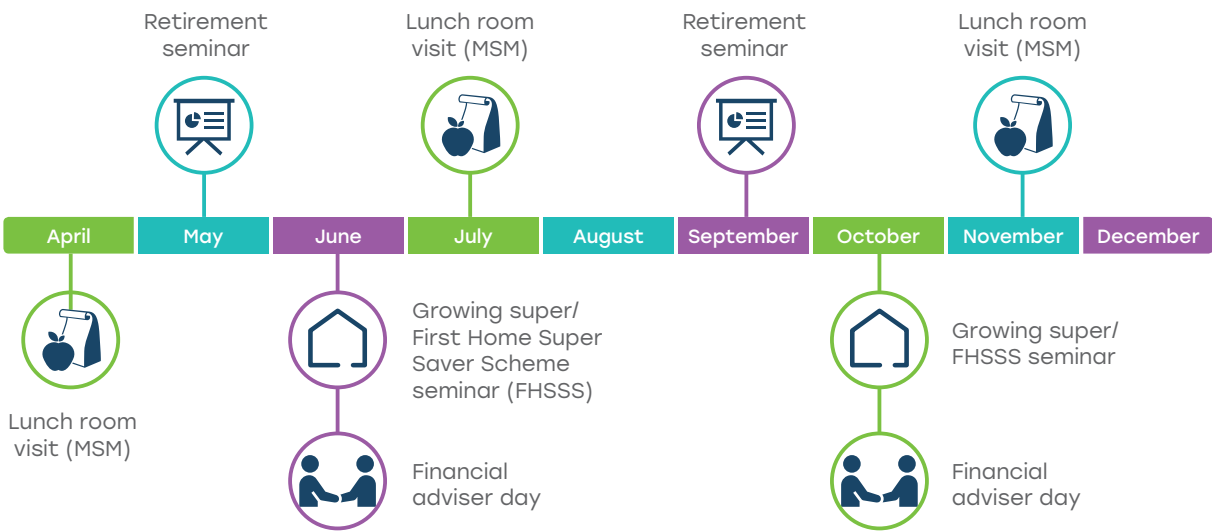
*“With a heritage founded in an industry where people pride themselves on delivering exceptional service, we know that we must operate at the highest possible standards.”*

**Our employer value proposition**

The majority of new members joining our Fund are young and typically employed by a club, which in many instances means we are their first superannuation fund. With improvements in technology and ‘choice of fund’, more members are choosing to retain Club Plus Super when they leave the club industry and our contributing members today are just as likely to work outside the club industry as they are within it.

With this trend of digital disruption and heightened competition likely to continue, not only are we taking strides to enhance the member experience but also working closely with our employers to ensure that we support their business and staff through strong partnerships that grow together over time. We do this by supporting the human resources staff and payroll teams by providing information as well as numerous educational workshops from staff inductions to retirement planning seminars.

The Club Plus Super employer service offering ensures regular support for staff. See a sample service plan below.



**What our employers are saying about us**

*“Our staff are our greatest asset, so it’s important to me we have the right superannuation fund looking after them. Club Plus have always delivered with respect to returns, insurances and exceptional service. I find them a great asset to our business, providing our staff with confidence and security in their super.”*

**Rod Desborough**  
Chief Executive Officer  
St Marys Rugby League Club

*“The Wests Group Macarthur have been using Club Plus Superannuation for over 20 years. Not only has Club Plus continued to deliver strong returns, but the insurance offering for my staff is a real benefit. I have seen firsthand how important the right cover can be and love the idea that all my staff have protection for when times are tough.”*

**Tony Mathew**  
Chief Executive Officer  
Wests Group Macarthur



# Important *changes* to super & pension

## Looking back on 2017-2018

2017-18 was a year of major changes for superannuation. The Federal Budget of 2016-17 introduced a raft of regulatory changes that had an impact on both superannuation and pension accounts.

During the year the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was established and began proceedings. There was significant media coverage around a number of issues and a full

report and recommendations will be provided by the commission in early 2019.

Regulations for the establishment of a new, independent dispute resolution scheme were passed during the year, and the Australian Financial Complaints Authority (AFCA) will take on any new, escalated complaints in the superannuation space from 1 November 2018.

Here's a snapshot of the main changes for the last financial year.

## Government introduced changes

### Changes to contributions caps

The non-concessional or after-tax contributions cap was reduced from \$180,000 to \$100,000 and a standard \$25,000 concessional or before-tax cap applies for all age groups.

### Investment returns on TTR pensions no longer tax free

From 1 July 2017, earnings from assets supporting a TTR will be taxed at 15%, regardless of the date the TTR commenced.

### First Home Saver Scheme

From 1 July 2017, members can make voluntary concessional and non-concessional contributions up to the caps, into super to save for their first home. For more information go to: [clubplussuper.com.au/members/members-portal/superannuation/first-home-super-saver-scheme-fhsss/](http://clubplussuper.com.au/members/members-portal/superannuation/first-home-super-saver-scheme-fhsss/)

### High income earners

The government lowered the high income earners' income threshold from \$300,000 to \$250,000 from 2017-18. This is the threshold above which before-tax contributions are taxed at an additional 15%.

### Low income spouse tax-offset eligibility

On 1 July 2017, the spouse income threshold under which the full tax offset can potentially be claimed by a contributing spouse, was increased to \$37,000.

### Low Income Super Tax Offset

From 1 July 2017, the government introduced a low-income superannuation tax offset (LISTO), which replaced the low income superannuation contribution (LISC). For more information, go to: [clubplussuper.com.au/news/industry-news/super-updates/](http://clubplussuper.com.au/news/industry-news/super-updates/)



### **Tax deductions for personal super contributions**

From 1 July 2017, most members under 75 years of age can claim a tax deduction for personal super contributions (including those aged 65 to 74 who meet the work test). Previously this was only open to the self-employed.

### **Total Superannuation Balance**

A Total Superannuation Balance (\$1.6m for 2017-18) that affects eligibility for certain entitlements was introduced with effect from 30 June 2017.

### **Anti-detriment payments removed**

From 1 July 2017, anti-detriment payments on death benefit payments was removed.

### **Eligible data breaches reporting regime**

From 22 February 2018, data breaches that are likely to cause 'serious harm' to the impacted members, must be reported to the Privacy Commissioner and the impacted members.

### **Transfer balance cap**

From 1 July 2017, a limit applies to the total amount of superannuation a member can transfer into a tax-free pension phase. The transfer balance cap is currently \$1.6m and is indexed in \$100,000 increments in line with CPI.

---

## **Fund introduced changes**

### **Online access for members**

For members who provide us with an email, either directly or via an employer, it will be used as the primary means of communication. This means all regulated material, such as periodic statements and significant event information about product changes will be in an email notification and members will need to log into our secure member portal, MemberAccess to view it.

For those members where we don't hold an email or have opted out of electronic notifications, will receive their documentation by post.

### **Increase in admin fee**

On 1 October 2017, the asset based fee charged on members' account balances increased from 0.15% p.a. to 0.20% p.a. This fee was increased to cover administration costs and improvements in services.

### **Removal of International shares from the Pension portfolio**

The international shares investment option was closed effective 1 October 2017, for the Club Plus Pension.

### **New insurance arrangements**

From 1 October 2017, new age based insurance arrangements were introduced for Death and Total and Permanent Disablement (TPD) cover.

In addition, the definitions for TPD and Terminal Illness were amended and premiums for income protection insurance were increased by 1.4%.

### **Opting in to the Voluntary Insurance Code**

We opted in to support the key principles of the Insurance in Superannuation Voluntary Code of Practice and are reviewing our current insurance benefit design and processes against the benchmarks set by the code.



# Improving our *members' experience*

## Marketing and Communications

At Club Plus Super we continuously strive to develop ways to make the complexities around super easier to understand.

We'd like members to be able to access the information they need at a time and in the format they are most comfortable with.

### Listening to our Members

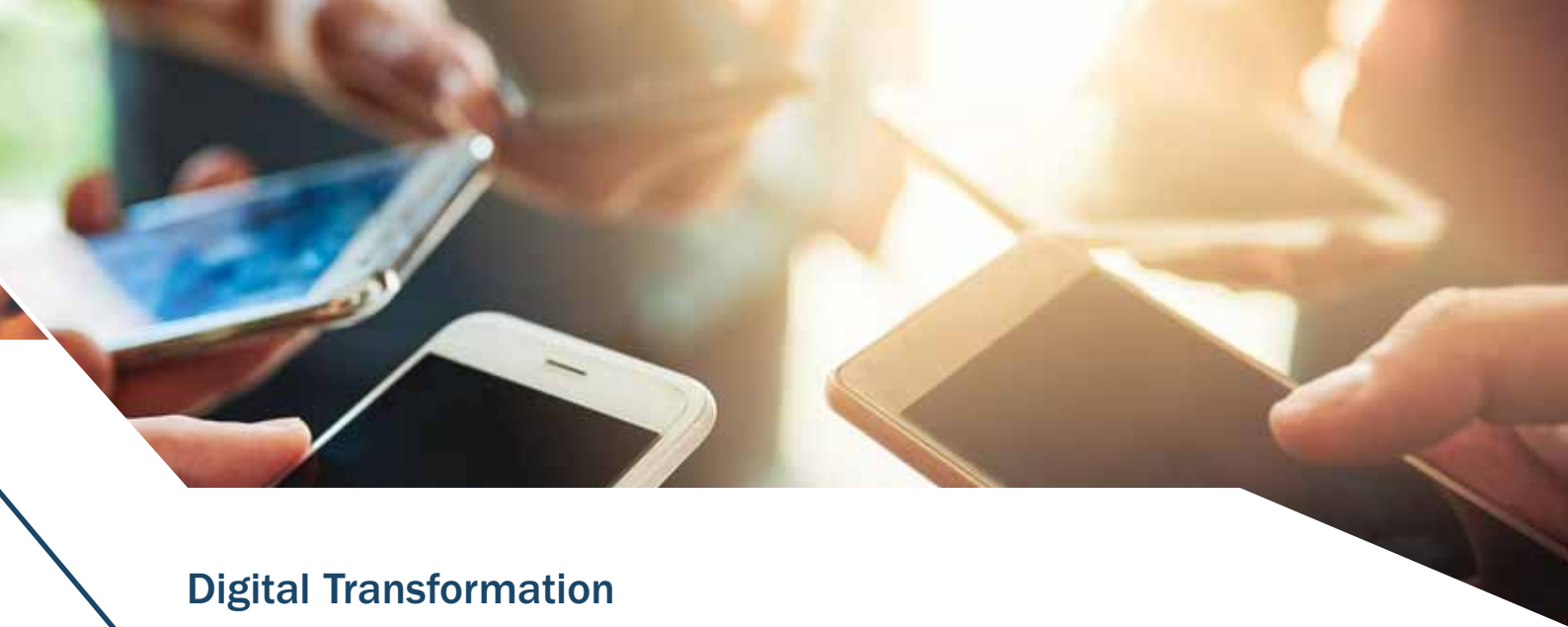
Each year, we invite members to take part in the annual member survey. In general, our surveys are designed to measure the effectiveness of our various member engagement activities. These include the many interactions provided by our front-line support (that is the Contact Centre and Member Services Managers) as well as the delivery of communications through various channels such as the website, annual statements, newsletters and industry publications.

The results provide us with greater insights into the requirements of our members and we learn what we do well and what we can improve.

In the October 2017 survey, Club Plus Super scored high on levels of Satisfaction, Trust and Recommendation. We would like to thank everyone that took part in the survey. Whilst we are exceptionally proud of the positive feedback and results received, we will continue to focus on enhancing our level of personalised service.

During 2018/19 we will undertake more detailed and targeted research to improve our understanding of the needs of our membership to ensure we can deliver more relevant products and services.





## Digital Transformation

In recent years we have introduced a number of digital initiatives to ensure we stay in touch with what members have come to expect. As technology evolves, our objective is to deliver more information that is easily accessible and appropriate to the changing needs of members.

### Member Preference Go Digital Campaign

Early in 2018, all members were notified of our commitment to retain up-to-date information about how they would like to receive ongoing communications such as annual statements, marketing updates and important information about changes to the fund.

91% of members with an email requested all communication types to be provided digitally. This means we can confidently continue to invest in digital solutions for our various member engagement activities.

Members can still update or change their preferences at any time through MemberAccess.

91%

of members with an email requested all communication types to be provided digitally



30%

increase in mobile access to Club Plus Super website

### Website development and ongoing enhancements

After launching the new website in October 2017, we have been working on a number of improvements to enhance the user experience. As a mobile responsive site, the website can be viewed on any device with the 'live' chat feature providing real time options. Since the launch, we've seen a 13% increase in the number of visitors to the site and a 30% increase in mobile usage.

Recently we added a 'News and Insights' section which provides easy-to-read updates about Club Plus Super and the superannuation industry. Our research identified the type of content people were searching for online about super and we will continue to monitor the effectiveness of this information over the coming months. This includes the addition of online tools such as calculators or educational videos on particular topics that may be of interest to a subset of visitors.



# Improving our *members' experience*

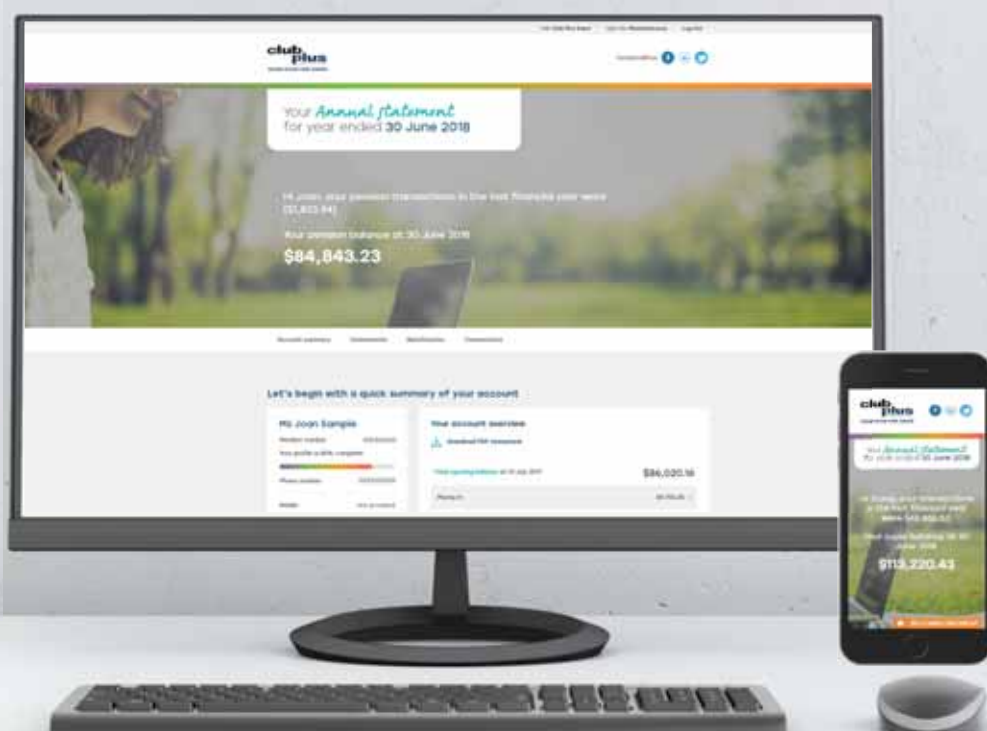
## Marketing and Communications (cont.)

### Interactive annual statements

Whilst members can still opt to receive a printed copy of their statement, we have been developing ways to make the information more engaging for members.

Annual statements are required to include legal disclaimers and legislative information that may not be of interest to all of our members. The integration of a digital interactive solution aims to enhance the member experience by providing the content in a simplified and more engaging format through the use of images, drop down menus, or pop up activation screens. Members can also choose to access more details about any section on the statement should they wish to investigate further.

An added benefit of this process is that we can find out what members are choosing to 'click through' so that we can provide more customised information the next time we communicate with members.







### Digital delivery of tailored communications

During the year we launched our 'onboarding' video for new members to explain the Club Plus Super benefits and services. The video was specifically targeted to younger members who make up a large proportion of our membership. Our own Club Plus Super staff were involved in the making of this video which is available on the Club Plus YouTube channel and will also be shared as part of the 2018 interactive statements distribution.

In 2019, a major focus will be the implementation of a completely new online joining process. Members who are new to the fund will be directed to a customised portal which will highlight information that may be relevant to their needs. In addition, they will have the opportunity to download a digital member card or register for seminars or publications that may be of interest sometime in the future.

A key part of our service offering is the delivery of educational workshops by our Member Services Managers at local clubs. Recent member feedback has suggested these sessions may not always be convenient for some members to attend. Tailored videos of popular workshops or seminars is planned for the latter half of 2018/19 based on member demand and feedback.



Scenes from the filming of our 'onboarding' video

# Improving our *members' experience*

## Contact Centre

### Serving our members

Our annual member survey tells us that our contact centre has excelled once again in delivering service to members. Despite a 10% decline in calls received over the last financial year, it was pleasing to see a 40% increase in the use of our online chat system. Since we have introduced the 'live' instant chat feature to the website, members have been using this facility as another quick and easy means of having their questions answered.

For others who still prefer the more personal approach of talking to someone, our average calls with members last around 6 to 7 minutes. We know that in most cases we will only have one chance to connect with a member during the term of their membership, so it is important to us to not only answer their initial enquiry, but to also ensure we have provided as much information as possible.

Over the last financial year, we have assisted over 1,000 members with finding and consolidating their 'lost' super. Under Federal Government legislation, accounts that are classified as 'lost' are automatically transferred to the ATO. As members will lose their insurance cover, it's important for us to ensure members are aware and are not disadvantaged by not keeping in touch with their super fund.

Our members know we are not just at the end of a phone and we have placed a renewed focus on servicing members face to face. No request is too big or too small as we encourage members to come into our office to sit down with one of our specialists so that we can assist them with completing forms, registering for MemberAccess or just having a general chat about their superannuation. Consequently, we have seen an increase in the number of visits to our office to meet with our Member Specialists.







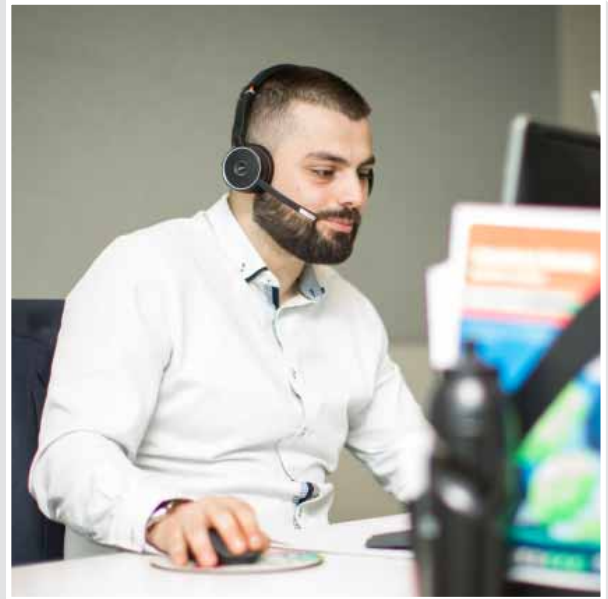
Despite these pleasing results, we are not complacent and are continually looking for ways to improve the experience. We know that our members value having an assigned Member Specialist to assist them from the beginning of a query until the conclusion. Our case management process is one small way of treating our members as an individual, not just someone on the other end of the phone.

The type of calls we receive vary from assisting new members and welcoming them to the fund to supporting members with benefit claims, such as Severe Financial Hardship applications or insurance claims. We also receive calls from members requesting more information about the Federal Government changes to super or how they can access a pension while transitioning from work into retirement.

Working in the Contact Centre is more than answering a call; it's getting to know our members and providing them with the information they need to retire on their own terms.

## Employer support

Club Plus Super has a dedicated employer only line where we can provide support and assistance in all of the super related requirements for employers. We can assist with setting up employees to satisfy Superstream requirements or educate employers on their obligations in regards to paying super. In addition to this, we can facilitate employer visits via our Member Services Managers who are always available to sit down with employers to provide any training or support that may be required.



# 40%

Increase in the use of the online chat system

# >1,000

members consolidated their 'lost super'



# Improving our *members' experience*

## Member Services Managers

Our Member Services Managers travelled a staggering 143,723km in 2017/18 to meet with members and employers. Superannuation can be complex and confusing at times, from the recently launched First Home Super Saver Scheme to the proposed Federal Government insurance changes outlined

in the May Budget 2018. Our Member Services Managers take pride in ensuring our members are kept up-to-date on how their future retirement plans may be impacted, and most importantly, are there to provide guidance and support during changing circumstances.





**Matt Kilburn**  
MSM (Northern)  
**0420 505 765**  
matt.kilburn@clubplussuper.com.au



**Shane Skeen**  
MSM (Western)  
**0417 248 628**  
shane.skeen@clubplussuper.com.au



**Brett Howe**  
MSM (Eastern)  
**0423 212 191**  
brett.howe@clubplussuper.com.au



**Andrew Jeffrey**  
MSM (Southern)  
**0423 902 603**  
andrew.jeffrey@clubplussuper.com.au

## How we help members

**First Home Super Saver Scheme:** We provide education sessions to members to ensure they are clear on the 'nuts and bolts' of the scheme to effectively use their super, should they wish to save for a first home deposit.

**Downsizer Contributions:** Members over 65 years who are looking to downsize their home can boost their super using the proceeds from the sale. We can assist members who need to know more information about the conditions that apply and how they can use this to help increase their retirement savings.

**Transition to retirement:** Many of our mature aged members aren't aware that they can access a portion of their super prior to retirement to pay for a dream holiday, reduce debt or simply to give them the freedom to work less hours. We can assist members with providing general advice about making the most of this time and being better prepared for a comfortable lifestyle in retirement.

**Long term relationships:** We get to know our members well, particularly when times are tough and support is needed during difficult circumstances.

### Case Study

Peter, a foundation member of Club Plus Super, was diagnosed with Parkinson's disease while working at a western suburbs club. He discussed his situation with Brett as he needed assistance with understanding how he could claim on his insurance benefits. Brett assisted Peter with submitting his Income Protection insurance claim which provided regular payments for 2 years, meaning he didn't have to access his super because he was receiving 90% of his income and 9.5% super.

After his condition continued to deteriorate, Brett helped Peter with setting up a Club Plus Pension and to secure a Total and Permanent Disablement (TPD) payment through enquiries made on his behalf. Peter was pleased with the ongoing support he received and felt relieved with having financial assistance to supplement his medical bills and living costs

*"When meeting Peter at the club where he had worked, it was great to see how his former colleagues would come from everywhere to say hello and give him a hug and have a brief chat, as most hadn't seen him for over a year. I felt proud and privileged to be the Club Plus Super representative sitting and helping one of our founding members who was now in need."*

**Brett Howe**  
Member Services Manager, Eastern Region



## Member Services Managers (cont.)

### Retirement Seminars

Our seminars are very popular and informative as we provide members with a thorough understanding about super and how they can best retire on their own terms. As seminars are delivered by a Member Services Manager and a Club Plus Super Financial Planner, members have the opportunity to ask questions directly with a qualified representative.

The topics we cover include:

- Transition to retirement planning
- How to boost minimal or low super balances
- Understanding Government guidelines around the Age Pension
- Deciding when to retire and the amount of money needed to achieve a comfortable lifestyle
- Understanding the rules around access to super
- Up-to-date information on changes to super

Members are guided through the core areas to consider when planning retirement, with sessions deliberately kept small and intimate so that there is plenty of time to ask questions within the group or individually.

Our members are always surprised when we show real monetary examples of how small changes and robust planning can make a big difference to both tax levels and retirement planning.

# 88%

of seminar attendees found the content relevant to their circumstances

# 87%

of seminar attendees found the seminars exceeded their expectations



Retirement Seminar in Canberra presented by Member Services Manager, Andrew Jeffrey and Club Plus Financial Planner, Matt Davey.





## Joan McKenzie Club Plus Super member

As a Payroll Officer at Blacktown Workers Club, Joan joined Club Plus Super 20 years ago.

The importance of saving for retirement didn't occur to Joan until her parents retired without having super or any other investments, which was typical of their generation. Joan wasn't completely sure how they managed to live comfortably in retirement. Her parents experience encouraged Joan to do something for her own retirement.

Several years ago she started salary sacrificing into her super and was pleased to see the steady growth in her investment. However, she wanted to find out if there was more that she could do to secure her financial future, so she attended a Club Plus Super retirement seminar. At the seminar, Joan was able to arrange an appointment with Club Plus Financial Planner, Matt Davey. A financial plan was drafted for Joan to consider which outlined how she could have a set income from now until age 94.

Joan is now a regular at the Club Plus Super retirement seminars, having been to four already! While the muffins are great, she is really there to understand and feel comfortable about the recent government changes to retirement. Also important is maintaining the relationship with Matt Davey, as she knows she can speak to him if she needs information and trusts that he will give her the right advice to steer her in the right direction.

# Investments: Year in review

## Fund Performance

We are pleased to report on another excellent year for Club Plus Super members. The fund's growth-oriented super and pension investment options achieved double-digit returns for the 2017/2018 financial year, reflecting the continued strong performance of global sharemarkets and growth assets such as shares, property and infrastructure.

The majority of our members are invested in the MySuper/Balanced option, which returned 10.8% after fees and taxes. We were delighted to see that for the second consecutive year, this result placed us fifth overall in the SuperRatings 50 Balanced Fund Survey performance ranking of peer balanced funds.<sup>1</sup> Our return was significantly above the 9.2% average for the 49 funds included in the survey.

More importantly, we are continuing to meet our long-term return objectives. Your superannuation savings have to work for you over decades from your first job and through your retirement years, so we always focus on growing your wealth over the long term so that you can retire on your own terms.

The MySuper/Balanced option has returned 7.4% p.a. over the last 20 years. To put that in context, if you started with a \$20,000 balance 20 years ago and didn't add any more money to it, the balance would now be over \$83,000. That is, your balance would have quadrupled in that time, despite all the market gyrations during that period.

**7.4% p.a.**

return for MySuper/Balanced option over the last 20 years

<sup>1</sup> SuperRatings (data sourced from [superratings.com.au/superratings-top-10/](http://superratings.com.au/superratings-top-10/)) as well as media release entitled 'Super members can expect a better second half to 2018'. Available at: [superratings.com.au/2018/07/19/super-members-can-expect-a-better-second-half-to-2018/](http://superratings.com.au/2018/07/19/super-members-can-expect-a-better-second-half-to-2018/)

Note: Past performance is not a reliable indication of future returns.



## GFC Anniversary

It has now been 10 years since the Global Financial Crisis (GFC) rocked the world, sparked huge investment losses, and plunged many countries except Australia into recession. Many investors have reflected on what was learned from the experience.

**What happened?** In a nutshell, too much risk and debt was taken on during the good times, and it unraveled spectacularly when times got tougher.

Low interest rates in the US had fueled a credit and housing boom in which almost half of mortgages were given to “subprime” (low quality) borrowers who couldn’t afford to repay their loans when interest rates started rising rapidly in 2006. Banks in turn had financed mortgages with loans from global money markets, and also packaged the loans into investment products called Collateralised Debt Obligations (CDO’s) that were sold to financial institutions around the world.

Because everything was intertwined, the huge wave of US mortgage defaults created a domino effect that brought down a global chain of banks, lenders and investors. With fears about hidden risks, banks didn’t trust each other and it was difficult and expensive for banks to get short term funding. Some of them collapsed or needed to be rescued by their Governments.

The fallout was widespread. Some sharemarkets fell more than 50% over the 2008-2009 period as investors bailed out in fear or were forced to sell even their best quality assets at massive losses to meet redemption requests and margin calls. The widespread sell-off across all markets meant that many investors were shocked to find they weren’t as diversified as they thought.

The crisis was curtailed by Central Banks dramatically lowering interest rates and pumping massive amounts of money into the system to stabilise it and prevent economic collapse, thus creating the conditions for the recovery we have seen in growth assets. This support has been in place for the better part of a decade, and has only just started to lift in the past year.

**What were the lessons learned?** For us, the GFC was a searing reminder that higher returns come with higher risk (especially where debt is involved), markets move in cycles, patient investors who can withstand initial losses may be rewarded in time, and yet again the value of true diversification was confirmed.

The MySuper/Balanced option has a balance of growth assets to provide capital growth over time, and defensive assets that are expected to provide ongoing income and show a more stable return profile. Defensive assets such as cash and bonds certainly proved their worth during the GFC, cushioning diversified portfolios like ours from the sharp falls seen in growth assets.

Over the height of the crisis from October 2007 to March 2009, the Australian sharemarket index fell -41.6%, the international shares index fell -34.4%, and the Australian listed property index fell a staggering -70.1%. In the same period, the Australian bond index gained +15.6%, the international bond index gained +12.8%, and the Australian bank bill (cash) index returned +10.5%.<sup>1</sup>

<sup>1</sup> Australian sharemarket  
International shares  
Australian listed property  
Australian bonds  
International bonds

Australian bank bills

Source: Evestment

S&P/ASX300 Index  
MSCI World ex Australia Index  
S&P/ASX300 A-REIT Index  
Bloomberg AusBond Composite Index  
Bloomberg Barclays Global Aggregate Index AUD Hedged  
Bloomberg AusBond Bank Bill Index





## Continual Enhancements

Whilst we are comfortable with the overall structure of our member investment options, we are always looking at ways to improve the likelihood of them achieving their return objectives for members going forward. This year we have made the following enhancements to increase the diversification and return potential of our investment options:

- Restructured the Australian Equities Asset Class by replacing one incumbent manager with two different strategies.
- Positioned our options more conservatively by shifting our target asset allocation marginally away from Australian equities and towards cash.
- Added an additional investment manager to the Australian Bonds Asset Class.
- Increased the foreign currency exposure target for each diversified investment option.
- Increased our exposure to the office sector in our Direct Property Asset Class via a new investment into the Charter Hall Office Fund.
- Introduced for the first time a specific allocation to global small and mid cap companies in the International Equities Asset Class, via an investment with Paradise Investment Management.



# Looking Back

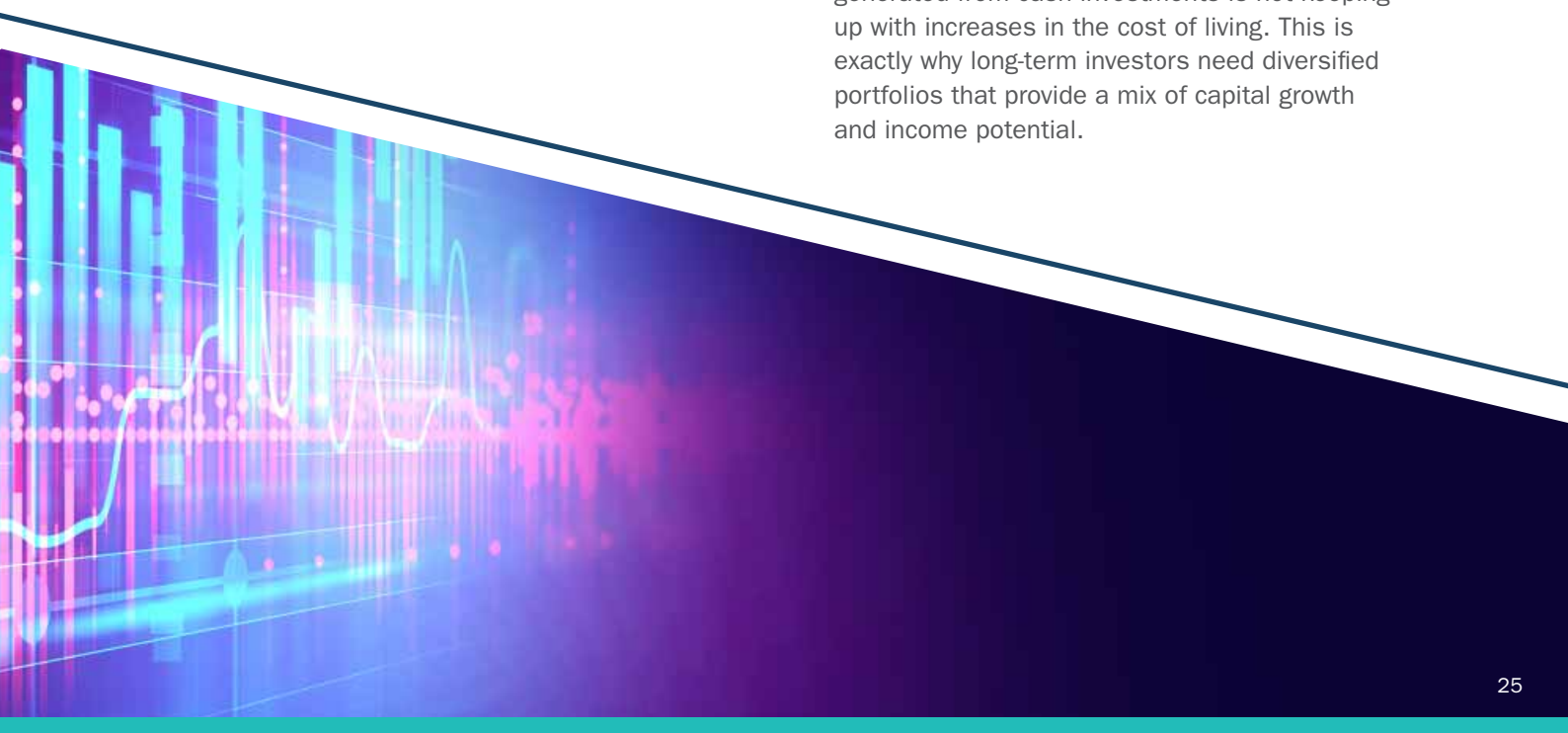
Overall, it was another good year for investors as economic growth continued across major economies and conditions remained favourable for growth assets. Around the world, economies and markets generally performed well.

The first six months were stronger than the second, as the optimism fed by US tax cuts and a big increase in Government spending later gave way to worries around interest rates and inflation rising faster than expected, and how the developing trade war with China might play out. The trade war was a contributing factor to the Chinese stockmarket's -17% fall since January, when the US and China started announcing a tit-for-tat series of tariffs (a tax on imports) against each other and some other countries. The tariffs cover a range of goods from high tech to food. Australia secured an exemption from the US for steel and aluminium tariffs, but other areas remain uncertain, such as whether the potential 25% tariff on automobile parts will apply to Australian manufacturers.

Stronger commodities prices and exports provided a huge benefit to Australia over the year. We are now in the 27th straight year since our last recession, and the sharemarket finished the year at almost record levels. The best returns in the Australian sharemarket were Energy (+42%) and Resources (+40%). In contrast, Telecommunications Services was the worst (-31%), marked by competitive pressures and Telstra flagging cuts to earnings and dividends. Negative sentiment stemming from the Banking Royal Commission contributed to the meagre 1.7% return from the Financials sector.

## Performance highlights (net returns):

- Despite some intermittent volatility throughout the year, international equities was among the best performing investments, with the index up 14% for the year, while our investment managers collectively beat the market, delivering almost 19%.
- The broad Australian sharemarket was up 13%, with our overall Asset Class doing better than that, led by Tribeca, our specialist investment manager that focuses on investing in small Australian companies, achieving a return of 31.4% for the year.
- Within the Growth Alternatives Asset Class, our investment in private equity via QIC was the standout performer, delivering returns of over 30% for our members.
- Club Plus Super's specialist property investments provide diversified exposure to assets across the commercial, retail, industrial and residential property sectors. The Australian residential property market began to soften in the second half of the year, although commercial and retail property were quite strong. Our specific exposure to Australian commercial property achieved 18.1%, which was above expectations.
- Not surprisingly, returns from bonds and cash were modest reflecting the continued low interest rate environment. Global bonds performed slightly better than Australian bonds. The Reserve Bank of Australia has kept the cash rate on hold at 1.5% for two years. This is below the current inflation rate, meaning the income generated from cash investments is not keeping up with increases in the cost of living. This is exactly why long-term investors need diversified portfolios that provide a mix of capital growth and income potential.







## Looking Ahead

Uncertainty in the markets as always makes it difficult to predict how investments will perform in the year ahead. Although there are positive signs for global growth, we expect more volatility as a number of complex economic and political concerns continue to trouble the market.

The International Monetary Fund expects above-average global growth of 3.9% in each of the next two years. Similarly, Reserve Bank officials expect a period of above-trend growth in Australia to lead to a gradual lift in wages, inflation and eventually interest rates here.

Some of the key risks on the radar at the time of writing include:

- Central Banks supported the global financial system with low interest rates and massive amounts of money to stabilise it during and after the GFC. After ten years, this support is gradually being lifted – the US, for example, expects to raise interest rates a total of five times this year – and it is uncertain how the withdrawal of this monetary support and rising interest rates will affect the markets as they adjust to changing conditions.
- The US-China trade war preoccupies investors. An escalation could have significant negative impact on the complex web of global trade and all the businesses and workers it supports.
- Diplomatic challenges include ongoing tension in the Middle East, China's expansion of its military presence in the region, and delicate relations with North Korea, Iran and Russia.
- There is continued uncertainty around the details of the impending UK “Brexit” from the European Union, and what impact its leaving will have on the UK and European markets. Italy's political instability and debt situation are another concern.
- Markets remain alert to troubles in emerging markets after recent problems in countries like Turkey, Brazil and Argentina.
- In Australia, one of the main concerns is the pressure households are under. Unemployment is low, but employment figures show many people are looking for extra work and at the moment wages are growing at the lowest rate in twenty years. Although the official inflation rate is low, costs for things like electricity bills and petrol have spiked. Housing affordability remains tight, even though the market has softened slightly in some east coast cities. The Reserve Bank is always thinking about the level of household debt, income and people's ability to repay loans, save and spend when it makes interest rate decisions.
- The political landscape in Australia, with yet another change in Prime Minister in August, the loss of majority in the Parliament in October and an election due by mid 2019.





## Our Focus

A strong global growth cycle followed the GFC, and it remains to be seen how long this level of growth will be sustainable. Club Plus Super remains alert to changing conditions and new opportunities in different corners of the investment markets. Today, asset prices are generally expensive. High share market valuations, low government bond yields and interest rates point to a moderation in return expectations for growth assets and continued low positive returns for income assets.

Uncertainty may abound in markets, but the realities we can be sure about are that markets move in cycles of gains and losses, and diversification is one of the best tools we have to deliver robust long term returns. The fund is well diversified across a mix of asset classes and differentiated investment strategies, investment managers and assets within these asset classes. For example:

- Our International Equities Asset Class is diversified across developed and emerging markets, small and large companies, and value, growth and core investment styles.
- Our Growth Alternative Asset Class is diversified across global bank loans, US real estate debt, and private equity.
- Our Infrastructure Asset Class is diversified across a wide range of assets including sea and air ports, roads, energy (including wind), communications and water treatment.

This robust diversification should help the fund show resilience through different market conditions and achieve the long term performance objectives that will ultimately help Club Plus Super members retire on their own terms.

The tables represent the compound average effective rate of net earnings of each of the fund's investment options as at 30 June 2018.

### Club Plus Super Accumulation

Investment options	1 year	3 years	5 years	10 years
High Growth	14.16%	10.97%	12.05%	7.11%
Growth	12.12%	9.63%	10.41%	6.35%
MySuper/Balanced	10.82%	8.69%	9.37%	6.53%
Conservative Balanced	5.05%	5.50%	5.79%	5.28%
Cash	1.55%	2.31%	2.51%	3.33%
Australian Shares	15.22%	11.36%	11.17%	6.79%
International Shares	15.69%	9.40%	N/A*	N/A*

\* History unavailable as the investment option commenced on 14 July 2014

### Club Plus Pension

Investment options	1 year	3 years	5 years	10 years
Growth	12.94%	10.48%	11.53%	6.88%
Balanced	11.52%	9.52%	10.45%	7.07%
Conservative Balanced	5.73%	6.19%	6.56%	5.95%
Cash	1.81%	2.58%	2.83%	3.75%
Australian Shares	17.13%	12.50%	12.42%	7.22%

### Club Plus TTR Pension

Investment options	1 year	3 years	5 years	10 years
Growth	12.12%	10.22%	11.37%	6.80%
Balanced	10.82%	9.29%	10.31%	7.00%
Conservative Balanced	5.05%	5.96%	6.42%	5.88%
Cash	1.55%	2.49%	2.77%	3.73%
Australian Shares	15.22%	11.88%	12.05%	7.05%
International Shares	15.69%	9.89%	N/A*	N/A*

\* History unavailable as the investment option commenced on 14 July 2014

#### Important information about investment returns

Past performance is not a reliable indicator of future performance. Unless otherwise stated returns are net of investment fees and taxes, except in the case of Club Plus Pension options, which are untaxed. The earnings applied to members' accounts may differ. Investment returns are at the investment option level and are reflected in the unit prices for those options. Prior to 20 March 2017 annualised returns represented the annual crediting rates that were determined in August each year. Daily unit prices are available at [clubplussuper.com.au/investments](http://clubplussuper.com.au/investments).

## Default investments

In the Industry Division, if you have not made an investment choice, your investment with Club Plus Super will be invested in the MySuper/Balanced option. For Personal Division members, an investment choice is required.

## Derivatives

Investment Managers engaged to invest the assets of Club Plus Super (other than the Fund currency manager) are permitted to use derivatives for hedging purposes only but not as a core investment asset.

## Investments that exceed 5% of the Fund's assets

The Trustee is required to disclose whether any individual investment (such as shares in a company) exceed 5% of the Fund's assets. At 30 June 2018, there were no individual investments that exceeded 5%. No individual asset held by the investment managers who invest on behalf of Club Plus Super exceeds 5% of the total assets of the Fund.

## Direct Investment Option

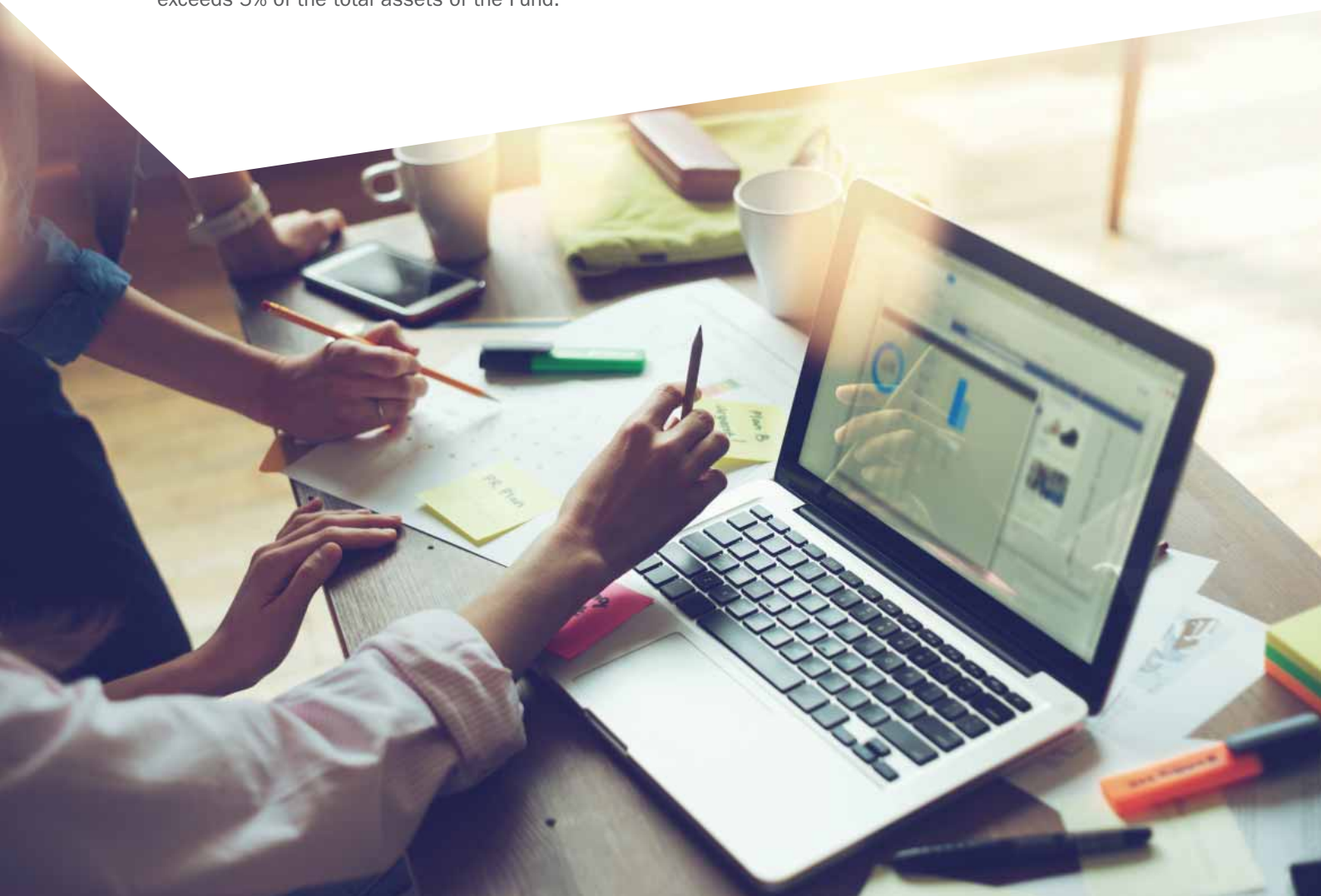
Club Plus Super introduced the Direct Investment Option on 1 July 2013. This product gives members access to a range of direct investment options including Term Deposits, a selection of Exchange Traded Funds (ETFs) and shares listed in the S&P/ASX 300 index.

Term Deposits are available in one, three, six and twelve month terms.

## Comparison of investment options

Pages 30-32 of the Annual Report allow you to compare each of the investment options available to Club Plus Super members.

We have provided you with a guide as to what option may suit members as well as outlining the investment objective and asset allocation for each of the options.





# Investment *options*

Asset Class Covered	Investment Manager Name
Australian Shares	DNR
	Perpetual
	Solaris
	Tribeca
	Vinva
International Shares	Antipodes
	Blackrock
	MFS
	Janus Henderson
	Paradise
Direct Property	NAB Currency
	Charter Hall
	ISPT
Infrastructure	Lend Lease
	ICG
Growth Alternatives	IFM
	BCA
	Bentham
	Kayne Anderson
	QIC
Defensive Alternatives	NAB Currency
	Kapstream
Australian Bonds	Wellington
	AMP
	Janus Henderson
International Bonds	Super Loans Trust
	PIMCO
Cash	Internal

As at 30 June 2018

## MySuper/ Balanced

### Investment objective

CPI + 3% p.a. over rolling 10 year periods.

### Suggested investment timeframe

Minimum 5 years

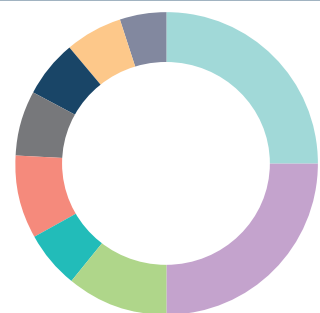
### Suitable for

This option is designed for members with a medium to long term investment horizon (five years or more) who are seeking a steady rate of returns and can tolerate moderate to high levels of volatility.

### Level of investment risk

High. A negative annual return is expected between 4 and 6 out of every 20 years.

### Strategic asset allocation



Australian Shares	25%
International Shares	25%
Direct Property	11%
Infrastructure	6%
Growth Alternatives	9%
<b>Total growth assets</b>	<b>76%</b>

Defensive Alternative	7%
Australian Bonds	6%
International Bonds	6%
Cash	5%
<b>Total defensive assets</b>	<b>24%</b>

## Cash

### Investment objective

To outperform the Bloomberg AusBond Bank Bill Index over rolling 10 year periods.

### Suggested investment timeframe

Any

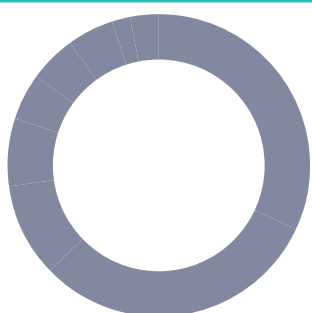
### Suitable for

The Cash option is designed for members with a short investment horizon (three years or less), who are seeking cash-like returns with virtually no chance of capital loss.

### Level of investment risk

Very low. A negative annual return is expected less than 0.5 out of every 20 years.

### Strategic asset allocation



Australian Shares	0%
International Shares	0%
Direct Property	0%
Infrastructure	0%
Growth Alternatives	0%
<b>Total growth assets</b>	<b>0%</b>
Defensive Alternative	0%
Australian Bonds	0%
International Bonds	0%
Cash	100%
<b>Total defensive assets</b>	<b>100%</b>

## Conservative Balanced

### Investment objective

CPI + 1.5% p.a. over rolling 10 year periods.

### Suggested investment timeframe

Minimum 3 years

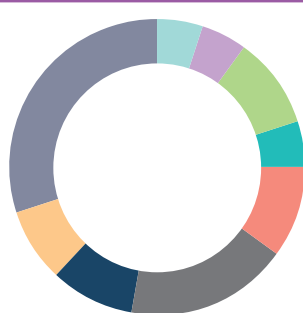
### Suitable for

The Conservative Balanced option is designed for members with a short to medium investment horizon (three years plus) who are seeking medium to low levels of consistent return and are sensitive to volatility.

### Level of investment risk

Medium. A negative annual return is expected between 2 and 3 out of every 20 years.

### Strategic asset allocation



Australian Shares	5%
International Shares	5%
Direct Property	10%
Infrastructure	5%
Growth Alternatives	10%
<b>Total growth assets</b>	<b>35%</b>
Defensive Alternative	18%
Australian Bonds	9%
International Bonds	8%
Cash	30%
<b>Total defensive assets</b>	<b>65%</b>

## Growth

### Investment objective

CPI + 3.5% p.a. over rolling 10 year periods.

### Suggested investment timeframe

Minimum 7 years

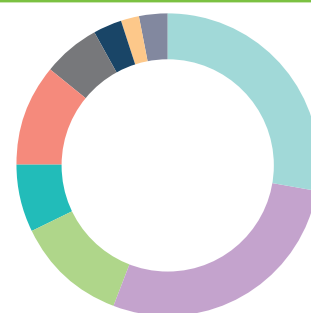
### Suitable for

The Growth option is designed for members with a long term investment horizon (seven years or more) who are seeking high levels of return and can tolerate high levels of volatility.

### Level of investment risk

High. A negative annual return is expected between 4 and 6 out of every 20 years.

### Strategic asset allocation



Australian Shares	28%
International Shares	28%
Direct Property	12%
Infrastructure	7%
Growth Alternatives	11%
<b>Total growth assets</b>	<b>86%</b>
Defensive Alternative	6%
Australian Bonds	3%
International Bonds	2%
Cash	3%
<b>Total defensive assets</b>	<b>14%</b>

The figures from pages 30-32 represent the Fund's Strategic Asset Allocation (SAA) for each specific investment option as at 30 June 2018. The SAA is assumed to remain unchanged throughout the year, however the actual asset allocation will vary over time and will be maintained within the benchmark ranges.

## High Growth

### Investment objective

CPI + 4% p.a. over rolling 10 year periods.

### Suggested investment timeframe

Minimum 10 years

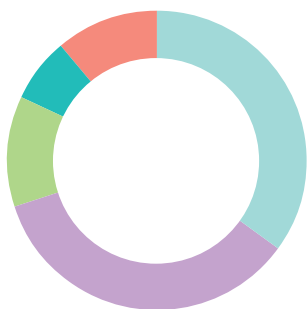
### Suitable for

The High Growth option is designed for members with a long term investment horizon (ten years or more) who are seeking equity like returns and can tolerate very high levels of volatility.

### Level of investment risk

High. A negative annual return is expected between 4 and 6 out of every 20 years.

### Strategic asset allocation



<span style="color: #4682B4;">●</span> Australian Shares	35%
<span style="color: #800080;">●</span> International Shares	35%
<span style="color: #32CD32;">●</span> Direct Property	12%
<span style="color: #00CED1;">●</span> Infrastructure	7%
<span style="color: #FF4500;">●</span> Growth Alternatives	11%
<b>Total growth assets</b>	<b>100%</b>
<span style="color: #696969;">●</span> Defensive Alternative	0%
<span style="color: #000080;">●</span> Australian Bonds	0%
<span style="color: #FF8C00;">●</span> International Bonds	0%
<span style="color: #483D8B;">●</span> Cash	0%
<b>Total defensive assets</b>	<b>0%</b>

## Australian Shares

### Investment objective

Outperform the return of the S&P/ASX 300 Index, after tax and investment manager fees over rolling 10 year periods.

### Suggested investment timeframe

Minimum 10 years

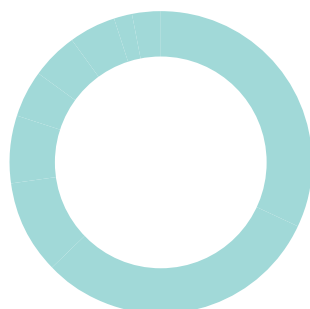
### Suitable for

The Australian Shares option is designed for members with a long term investment horizon (ten years or more) who are seeking Australian equity returns and can tolerate very high levels of volatility.

### Level of investment risk

Very high. A negative annual return is expected 6 or greater out of every 20 years.

### Strategic asset allocation



<span style="color: #4682B4;">●</span> Australian Shares	100%
<span style="color: #800080;">●</span> International Shares	0%
<span style="color: #32CD32;">●</span> Direct Property	0%
<span style="color: #00CED1;">●</span> Infrastructure	0%
<span style="color: #FF4500;">●</span> Growth Alternatives	0%
<b>Total growth assets</b>	<b>100%</b>
<span style="color: #696969;">●</span> Defensive Alternative	0%
<span style="color: #000080;">●</span> Australian Bonds	0%
<span style="color: #FF8C00;">●</span> International Bonds	0%
<span style="color: #483D8B;">●</span> Cash	0%
<b>Total defensive assets</b>	<b>0%</b>

## International Shares

### Investment objective

Outperform the return of the MSCI AC World Ex-Australia, after tax and investment manager fees over rolling 10 year periods.

### Suggested investment timeframe

Minimum 10 years

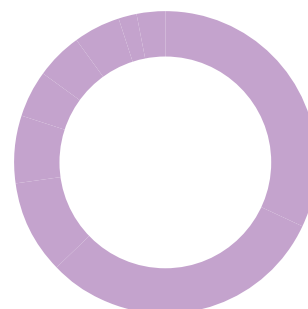
### Suitable for

The International Shares option is designed for members with a long term investment horizon (ten years or more) who are seeking International equity returns and can tolerate very high levels of volatility.

### Level of investment risk

Very high. A negative annual return is expected 6 or greater out of every 20 years.

### Strategic asset allocation



<span style="color: #4682B4;">●</span> Australian Shares	0%
<span style="color: #800080;">●</span> International Shares	100%
<span style="color: #32CD32;">●</span> Direct Property	0%
<span style="color: #00CED1;">●</span> Infrastructure	0%
<span style="color: #FF4500;">●</span> Growth Alternatives	0%
<b>Total growth assets</b>	<b>100%</b>
<span style="color: #696969;">●</span> Defensive Alternative	0%
<span style="color: #000080;">●</span> Australian Bonds	0%
<span style="color: #FF8C00;">●</span> International Bonds	0%
<span style="color: #483D8B;">●</span> Cash	0%
<b>Total defensive assets</b>	<b>0%</b>





# Corporate Trustee

Club Plus Super is managed on behalf of members by a corporate Trustee – Club Plus Superannuation Pty Limited (Club Plus Super)



Directors from left to right: Wayne Krelle, Janet Torney, Steve Whan, Tara Moriarty, Philip Howard, Jingmin Qian, Nick Lucchinelli (appointed August 2018), John Hawker

\*Please note: Peter Bentley and Dominique Hogan-Doran resigned from the Board during the 2017-18 financial year and are not shown here.



## Corporate Trustee

Board members are appointed by the shareholders of the Trustee.

The Chair and Deputy Chair of the Board as at 30 June 2018 are:

**Chair:** Tara Moriarty

**Deputy Chair:** Janet Torney

## Committees

The membership of the following Committees, made up of Board representatives at 30 June 2018 are:

Member Experience Committee	Risk and Audit Committee	Remuneration Committee	Investment Committee
Chair: Steve Whan	Chair: Janet Torney	Chair: Janet Torney	Chair: John Hawker
John Hawker	Philip Howard	Wayne Krelle	Tara Moriarty
Wayne Krelle	Tara Moriarty	Tara Moriarty	Janet Torney
Philip Howard	John Hawker	Steve Whan	Philip Howard

## Club Plus Super service providers

### Administration

Australian Administration Services Pty Limited (AAS)

### Auditor and Tax Agent

Ernst & Young (EY)

### Bank

Westpac

### Custodian

JPMorgan Chase Bank, N.A. (Sydney Branch)

### Financial Advice

Club Plus Financial Planning Pty Limited

### Insurance

OnePath Life Limited (OnePath Life)

### Internal Auditor

KPMG (from Oct 2017), Deloitte (to Sept 2017)

### Investment Consultant

JANA Investment Advisers Pty Limited



At 30 June 2018\*, the Directors of Club Plus Super were:

## Member Representatives



**Tara Moriarty - Chair**

Tara has served as a Director since 2006 and currently holds the position of Chair. During her time on the Board, Tara has been a member or chair of each Committee. Tara is currently the Honorary President of the Liquor and Hospitality Division of United Voice (NSW Branch) and a Board Member of the McKell Institute.



**John Hawker - Director**

John has served as a Director since 1999 and Club Plus Financial Planning since October 2010. During his time on the Board, he has held the positions of Chair and Deputy Chair and has gained experience as a member or chair of each of the Trustee's Committees.

John is currently the Secretary of the Liquor and Hospitality Division of United Voice (NSW Branch).



**Steve Whan - Director**

Steve joined the Board in July 2015 and is a former NSW Cabinet Minister and Shadow Minister. At various stages, he held portfolios including: Primary Industries; Emergency Services; Small Business; and in Opposition: Tourism, Hospitality, Gaming and Racing; and Police. He was Member for Monaro and a Member of the NSW Legislative Council. Steve is currently the CEO and Secretary of the National Irrigators Council.

\* The vacancy created by the resignation of Peter Bentley for the Member elected Director was not filled until August 2018 by Nick Lucchinelli. The vacancy created by the resignation of Dominique Hogan-Doran for the Employer elected Director was filled in May 2018 by Jingmin Qian.

## Employer Representatives



**Janet Torney - Deputy Chair**

Janet joined the Board in October 2015. Janet has strong experience in governance, strategy, risk management, investments, and member-based organisations.

Janet is a former CEO of Qantas Superannuation and is currently the Chairman of Whitehelm Capital, Chair of the Audit and Compliance Committee of Australian Re-insurance Pool Corporation and a Non-Executive Director of Girl Guides Australia and the Australian Cricketers Association.



**Wayne Krelle - Director**

Wayne has served as a Director since 2005 and Club Plus Financial Planning since October 2010. During his time on the Board, he has held the positions of Chair and Deputy Chair and has been a member of each of the Trustee's Committees.

Wayne was previously Deputy CEO of ClubsNSW.



**Philip Howard - Director**

Philip joined the Board in January 2017 and has over 28 years experience in the financial services industry covering funds management and general financial services.

He is a current director of listed investment company Watermark Global Leaders Fund Limited and was a director and company secretary of ASX-listed companies Platinum Asset Management Limited and Platinum Capital Limited. Prior to those appointments, he was Platinum's Chief Operating Officer for nearly 10 years.



**Jingmin Qian - Director**

Jingmin joined the Board in May 2018 and has expertise in the property, infrastructure and resource sectors and rich experiences in Asia. She previously held executive roles with L.E.K. Consulting, Boral Limited and Leighton Holdings. During this period, Jingmin also served as a member of the business liaison program of the Reserve Bank of Australia.

She is currently a Non-Executive Director of Abacus Property Group, in addition to advising leading Australian and global organisations on investment, strategic management and cross-cultural management.

## Directors and Committee Positions

Year ended 30 June 2018

15/12/2017 - 30/06/2018						
Director	Appointed By?	Board Member	Remuneration Committee	Investment Committee	Risk & Audit Committee	Member Experience Committee
Tara Moriarty	LHD - United Voice (NSW)*	Chair	●	●	●	
Janet Torney	ClubsNSW**	Deputy Chair	Chair	●	Chair	
John Hawker	LHD - United Voice (NSW)	●		Chair	●	Chair^
Wayne Krelle	ClubsNSW	●	●			●
Peter Bentley (resigned 5/04/2018)	LHD - United Voice (NSW)	●		●	●	
Jingmin Qian (appointed 1/05/2018)	ClubsNSW	●				
Steven Whan	LHD - United Voice (NSW)	●	●			Chair^
Philip Howard	ClubsNSW	●		●	●	●
1/07/2017 - 14/12/2017						
Tara Moriarty	LHD - United Voice (NSW)	Chair	●	●	●	
Janet Torney	ClubsNSW	Deputy Chair	Chair	●	Chair	
John Hawker	LHD - United Voice (NSW)	●	●	Chair	●	Chair
Wayne Krelle	ClubsNSW	●	●			●
Peter Bentley	LHD - United Voice (NSW)	●			●	
Dominique Hogan-Doran (resigned 30/11/2017)	ClubsNSW	●		●		●
Steven Whan	LHD - United Voice (NSW)	●				●
Philip Howard	ClubsNSW	●			●	

\* United Voice NSW Branch - Liquor and Hospitality Division

\*\* Registered Clubs Association of NSW (ClubsNSW)

^ John Hawker was Chair of the Member Experience Committee (MEC) from December 2017 - March 2018; Steve Whan was Chair of the MEC from March 2018 - June 2018



# Club Plus Super *Accounts*

STATEMENT OF FINANCIAL POSITION	30 JUNE 2018	30 JUNE 2017	
	\$	\$	
<b>ASSETS</b>			
Cash and cash equivalents	20,305,638	13,616,962	
Receivables	500,816	4,825,062	
Investments			
Cash and short term deposits	298,619,174	271,217,319	
Interest bearing securities	491,631,273	442,791,999	
Australian equities	645,125,498	595,969,519	
International equities	700,501,486	586,589,839	
Unit Trust	526,214,716	495,338,220	
Pooled superannuation trusts	49,564,594	46,483,929	
Private equity	68,953,101	64,635,532	
Derivative assets	228,767,267	240,808,029	
Investment properties	9,650,002	8,800,000	
Property, plant and equipment	313,583	791	
Deferred tax assets	261,957	339,131	
<b>TOTAL ASSETS</b>	<b>3,040,409,105</b>	<b>2,771,416,333</b>	
<b>LIABILITIES</b>			
Payables	(4,732,162)	(3,254,211)	
Income tax payable	(504,903)	(7,251,348)	
Derivative liabilities	(233,118,164)	(239,474,349)	
Deferred tax liabilities	(33,326,063)	(24,447,724)	
<b>TOTAL LIABILITIES EXCLUDING MEMBER BENEFITS</b>	<b>(271,681,292)</b>	<b>(274,427,632)</b>	
<b>NET ASSETS AVAILABLE FOR MEMBER BENEFITS</b>	<b>2,768,727,813</b>	<b>2,496,988,701</b>	
<b>MEMBER BENEFITS</b>			
Allocated to members	(2,734,587,039)	(2,469,131,642)	
Unallocated to members	(5,684,355)	(292,556)	
Total member liabilities	(2,740,271,394)	(2,469,424,198)	
<b>NET ASSETS</b>	<b>28,456,419</b>	<b>27,564,503</b>	
<b>EQUITY</b>			
General Reserve	21,776,629	21,186,692	
Operational Risk Reserve	6,679,790	6,377,811	
<b>TOTAL EQUITY</b>	<b>28,456,419</b>	<b>27,564,503</b>	
<b>RESERVES FOR THE THREE YEARS TO 30 JUNE 2018</b>	<b>30 JUNE 2018</b>	<b>30 JUNE 2017</b>	<b>30 JUNE 2016</b>
	\$	\$	\$
Operational Risk Reserve	6,679,790	6,377,811	5,392,269
General Reserve	21,776,629	21,186,692	4,716,376

## Reserves

The Trustee maintains a General Reserve that provides funding to cover strategic initiatives approved by the Trustee for the benefit of members and to provide any other purposes that the Trustee deems appropriate.

The reserve amount is effectively maintained as part of the Trustee's Operating Cash Account.

<b>INCOME STATEMENT</b>	<b>30 JUNE 2018</b>	<b>30 JUNE 2017</b>
	<b>\$</b>	<b>\$</b>
<b>SUPERANNUATION ACTIVITIES</b>		
Interest	7,176,557	5,618,314
Dividend revenue	25,322,556	21,657,324
Distributions from unit trusts	126,708,846	68,857,868
Changes in assets measured at fair value	120,257,675	183,508,997
Other investment income	3,451,852	2,594,284
Other income	408,079	358,656
<b>Total superannuation activities income</b>	<b>283,325,565</b>	<b>282,595,443</b>
Investment expenses	(8,443,867)	(6,566,360)
Administration expenses	(4,617,759)	(4,332,324)
Operating expenses	(8,227,853)	(8,742,043)
<b>Total expenses</b>	<b>(21,289,479)</b>	<b>(19,640,727)</b>
<b>Net result from superannuation activities</b>	<b>262,036,086</b>	<b>262,954,716</b>
<b>Profit from operating activities</b>	<b>262,036,086</b>	<b>262,954,716</b>
Less: Net benefits allocated to members' accounts	(250,942,514)	(231,946,384)
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>	<b>11,093,572</b>	<b>31,008,332</b>
Income tax expense/(benefit)	10,201,656	13,552,474
<b>PROFIT AFTER INCOME TAX</b>	<b>891,916</b>	<b>17,455,858</b>
<b>STATEMENT OF CHANGE IN MEMBER BENEFITS</b>	<b>30 JUNE 2018</b>	<b>30 JUNE 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Opening balance of member benefits</b>	<b>2,469,424,198</b>	<b>2,206,824,280</b>
<b>Contributions:</b>		
Employer	157,909,937	156,067,287
Member	26,970,221	30,244,360
Transfer from other superannuation plans	48,870,589	50,925,730
Government co-contributions	446,695	496,508
Income tax on contributions	(22,215,445)	(23,209,085)
<b>NET AFTER TAX CONTRIBUTIONS</b>	<b>211,981,997</b>	<b>214,524,800</b>
Benefits to members/beneficiaries	(178,788,713)	(166,083,701)
Insurance premiums charged to members' accounts	(20,154,367)	(22,899,493)
Death and disability insurance benefits credited to members' accounts	6,865,765	5,111,928
<b>Benefits allocated to members' accounts, comprising:</b>		
Net investment income	263,728,969	243,437,779
Administration fees	(12,786,455)	(11,491,395)
<b>CLOSING BALANCE OF MEMBER BENEFITS</b>	<b>2,740,271,394</b>	<b>2,469,424,198</b>

The above Statement of Financial Position, Income Statement and Statement of Changes in Member Benefits are extracts of the audited Financial Statements of the Fund for the year ended 30 June 2018. The full financial statements are available on our website [clubplussuper.com.au](http://clubplussuper.com.au).





# Other important *Information*

## Eligible rollover fund

Please let us know if you change your address. It's important so that we can keep you advised of details about your superannuation account.

We may roll over your benefit to Super Safeguard (an Eligible Rollover Fund) if your account balance is less than \$500, and Club Plus Super has received no contributions for you in the preceding thirteen months.

If your account is transferred to Super Safeguard, your insurance benefits with Club Plus Super will cease. Super Safeguard does not offer insurance cover. There are no withdrawal fees during this process nor will you be charged a roll-in fee when transferred to Super Safeguard.

To find out more about Super Safeguard, including their fees and costs, visit the website [supersafeguard.com.au](http://supersafeguard.com.au) or contact them directly at:

Super Safeguard  
GPO Box 3426  
Melbourne VIC 3001  
Phone: 1300 135 181

## Insurance

The Trustee has taken out comprehensive trustee liability insurance to protect its directors and management.

## Superannuation surcharge

Club Plus Super deducts from your account balance any amount that the Trustee is required to pay to the ATO for Superannuation Surcharge. If the Trustee receives an assessment after you have left it will generally be forwarded to the fund to which you have transferred your benefit.

## Unclaimed monies

We must report and pay unclaimed super money to the Australian Tax Office (ATO). Unclaimed super money includes:

- an account balance under \$6,000 held by an uncontactable member
- an account held by an inactive member who is 65 years of age or more

Benefits for the following people may also be transferred to the ATO:

- inactive members whose balance is less than \$6,000 who were originally nominated for membership by their employer
- inactive or uncontactable members who cannot be properly identified
- former temporary resident members who have departed Australia
- deceased members whose benefits cannot be paid following death
- a spouse who is entitled to a benefit split under the Family Law Act and cannot be paid

When you are transferred to the ATO any insurance cover you may have will cease. You can claim the money from the ATO at any time. Interest may also be payable by the ATO at the time the money is claimed.

## Temporary residents permanently leaving

If you are a temporary resident permanently leaving Australia, you have six months to claim your super. If you do not, Club Plus Super may transfer your benefit to the ATO. Under Australian Securities and Investments Commission relief, an exit statement is not required if your benefit is paid to the ATO in these circumstances. Once transferred, you will need to contact the ATO to claim your benefit.

## Compliance

Club Plus Superannuation Scheme (the Fund) is a complying superannuation fund within the meaning of the Superannuation Industry (Supervision) Act 1993 and Club Plus Superannuation Pty Limited (the Trustee) has not received any notice of non-compliance from the Regulator during the 2017-18 financial year.

## Privacy

Club Plus Super respects your right to privacy. Our Privacy Policy outlines how we and other organisations who we may contract to provide services to you, collect, store, use and disclose your personal information.

If you have any concerns about your privacy in the Fund, you can view the *Privacy Policy* on the website at [clubplussuper.com.au/privacy-policy](http://clubplussuper.com.au/privacy-policy) or contact the Privacy Officer by:

### Phone

(02) 9376 9400

### Email

[privacy@clubplussuper.com.au](mailto:privacy@clubplussuper.com.au)

### In writing

The Privacy Officer, Club Plus Superannuation  
GPO Box 3774, Sydney NSW 2001

## Dispute resolution

If you are dissatisfied with any aspect of the product or service we provide, please contact us in the following ways:

### Phone

1800 680 627

### Email

[member@clubplussuper.com.au](mailto:member@clubplussuper.com.au)

## In writing

The Complaints Officer, Club Plus Superannuation  
Locked Bag 5007, Parramatta NSW 2124

We will attempt to resolve your complaint through the fund's internal dispute resolution process. If the matter is not resolved to your satisfaction you may contact the following independent dispute resolution schemes:

## Until 31 October 2018:

The Superannuation Complaints Tribunal (SCT)

### Phone

1300 884 114

### Email

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

### Web

[www.sct.gov.au](http://www.sct.gov.au)

## From 1 November 2018:

All new complaints should be directed to the Australian Financial Complaints Authority (AFCA)

### Phone

1800 931 678

### Email

[info@afca.org.au](mailto:info@afca.org.au)

### In writing

Australian Financial Complaints Authority  
GPO Box 3, Melbourne VIC 3001

### Web

[www.afca.org.au](http://www.afca.org.au)

## Contact Us

Locked Bag 5007, Parramatta NSW 2124

Member Hotline: **1800 680 627**

Email: [member@clubplussuper.com.au](mailto:member@clubplussuper.com.au)

Web: [clubplussuper.com.au](http://clubplussuper.com.au)

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Club Plus Financial Planning Pty Ltd (Club Plus Financial Planning), ABN 14 143 636 766, is a Corporate Authorised Representative #367058 of Adviser Network Pty Ltd, ABN 25 056 310 699 ("Licensee"). The Licensee holds a current Australian Financial Services Licence #232729 and is responsible for the financial services provided to you. All Club Plus Financial Planning's financial advisers are sub authorised representatives of the Licensee.

This Annual Report has been prepared by Club Plus Superannuation Pty Limited ABN 26 003 217 990 AFSL No: 245362 RSE Licence No: L0000529 RSE Registration No: R1000757 the Trustee of Club Plus Superannuation Scheme (Club Plus Super) ABN 95 275 115 088. Any advice in this document is of a general nature only and does not take into account your personal objectives, financial situation or needs. Prior to acting on any information in this document, you need to take into account your own financial circumstances, consider the PDS for any product you are considering and seek independent financial advice if you are unsure of what action to take. In the case of any inconsistency with the Club Plus Super trust deed, the trust deed will prevail. To request a copy of the Annual Report free of charge, phone us on 1800 680 627.