



GROSVENOR PIRIE MASTER SUPERANNUATION FUND SERIES 2 – CRUELTY FREE SUB-PLAN

Trustee (Diversa Trustees Limited):

ABN: 49 006 421 638

AFSL: 235153

RSEL Number: L0000635

Address:

Level 20, 357 Collins Street

Melbourne VIC 3000

GPMSF2 – Cruelty Free sub-plan:

ABN: 32 367 272 075

USI: 32 367 272 075 159

Fund Registration Number: R1001204

Address:

GPO Box 1858

Sydney NSW 2001

ANNUAL REPORT	For the year ended 30 June 2018
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We are pleased to present our Annual Report for the Grosvenor Pirie Master Superannuation Fund – Series 2 (the “Fund”), Cruelty Free Sub-Plan (“Cruelty Free”).

Cruelty Free is a sub-plan of the Grosvenor Pirie Master Superannuation Fund – Series 2 (Registration Number R100204).

We hope you find the Annual Report interesting and informative. If you have any comments or questions, please contact the Cruelty Free team on 1300 658 422 or GPO Box 1858, Sydney, NSW 2001 or visit <http://www.gpml.com.au/superannuation-products/cruelty-free-super>.

This Annual Report is issued by the trustee of the Fund, Diversa Trustees Limited (‘Trustee’). Neither the Trustee, any underlying investment manager nor any other service provider to the Fund guarantee your account or the investment performance of the Fund, specific investments or the repayment of capital. Investments in the Fund are subject to economic conditions and investment risk including loss of income and capital invested. The information is of a general nature only and has been prepared without taking into account your investment objectives, financial situation and needs. Before making any investment or other decisions in relation to the Fund you should consider obtaining professional financial advice from a licensed or authorised financial adviser.

Whilst all reasonable care has been taken in the preparation of this report, the Trustee reserves its right to correct any errors or omissions.

This Annual Report should be read in conjunction with the annual member statement recently provided to you, which shows your member entitlement in the Fund as at 30 June 2018. If you would like a hard copy of this Annual Report sent to you free of charge, please contact Cruelty Free on 1300 022 762 or email hello@crueltyfreesuper.com.au.

The information in this Annual Report is intended to provide an understanding of the management, financial condition and investment performance that is applicable to members in the Fund. Unless otherwise specified, the information in this Annual Report relates to the Fund.

Report from the board of Trustees

“It has been a busy year with strong investment returns, and superannuation being at the forefront of Government review.”

On behalf of the Board, I welcome you to our annual report for the year to June 2018. Once again it has been a busy year with superannuation making front pages of the newspapers more times than usual.

Outcomes of the Royal Commission

The Royal Commission focussed on a number of areas including misconduct, overcharging of fees and fees for no service. At times, the revelations of the Royal Commission were shocking and deeply disappointing, for both the industry and every Australian.

Important for members

Cruelty Free Super provides superannuation products for personal superannuation members who have an interest in ethical and other values (including the avoidance of cruelty to animals). Cruelty Free Super offers only one choice of investment strategy for all members. Cruelty Free Super is designed to provide investors with a way of building retirement savings without investing in companies whose activities involve the abuse or exploitation of animals or are not consistent with other ethical environmental or social values.

The Federal Government has tabled legislation which may impact members control of their super in the future. The legislation impacts both insurance and inactive members whose balance is less than \$6,000, and who have not made a contribution in 12 months or more. Should this legislation be enacted by the Federal Parliament, your best way of responding is to engage with Future Super, confirm that your contact details are up to date, which will ensure that you are not listed as a lost member, consider your insurance held and your future requirements, as well as consolidating your super. Details of your member account will be on your member statement available within your account via Member Online.



Vin Plant

Chair Diversa Trustees Board

The Trustee

Diversa Trustees Limited (the Trustee) ABN 49 006 421 638, AFSL 235153, RSE Licence Number L0000635, is the Trustee of Cruelty Free. The Trustee is responsible for the ongoing management of the Fund. Diversa Trustees is a wholly owned subsidiary of OneVue Holdings Limited (OneVue). The Trustee employs specialist providers to help look after the Fund and its investments, which are outlined in the 'Directory' section at the end of this report.

The Trustee Board

The Board provides leadership and vision for the organisation and monitors investment strategies and returns for each product. It ensures compliance with all legislative and regulatory requirements, to give Cruelty Free members security and peace of mind about their investments.

Board members

As at 30 June 2018, the composition of the Board is as follows.



Vin Plant – Chairman

BBus Fin, MBA, F Fin, MAICD

Vin Plant is a Sydney based financial services specialist and the chairman of the Diversa Trustees Board. Vin was appointed to the Diversa Trustee Board on 4 May 2017. He has served as a non-executive director on the PayPal Australia Board since 2009 and has been Chairman of PayPal's Audit & Risk Committee since 2010. A former investment banker, he was a Partner at HSW Capital from 2009 to 2010 and held various senior positions at Standard Chartered Bank from 1991 to 2008. Vin is a fellow of FINSIA and a member of the Institute of Company Directors.



Murray Jones – Director

Murray has worked within the financial services industry for over 20 years. He has provided advice on corporate governance and strategic planning issues to institutions; acted as an independent expert under ASIC enforceable undertakings; chaired audit risk and compliance committees; been appointed as a responsible manager for a number of AFS Licence holders spanning listed and unlisted fund managers and financial advisory businesses.

He is currently Managing Director of Compliance & Risk Services Pty Ltd which has acted for over 150 financial institutions in establishing and supporting financial services businesses. His company has also developed a web based software solution, CRSCertus, which is used by a number of prominent financial institutions to manage their risk and compliance obligations. Murray's expertise spans retail and wholesale funds management, securities operations, superannuation, insurance, corporate advisory and financial planning.



Garry Wayling – Director

BCom (Acctg), GAICD, ACA

Garry Wayling brings more than 30 years' experience in a professional services career to the Diversa Trustees Board. Gary was appointed to the Diversa Trustee Board on 4 May 2017. He is also a Director of OneVue and is widely regarded as a specialist in business planning, initial public offerings, due diligence and Sarbanes Oxley reviews.

His industry experience is broad encompassing large manufacturers, steelworks, major hotel chains, technology companies and IT start-ups. He has held various executive positions including Chief Financial Officer at Aston Resources Limited and Managing Director of CoalWorks Limited. Garry has also worked in external audit and advisory roles with Arthur Andersen and Ernst and Young where he was the Oceania Markets IPO Leader.

Garry is an independent Director of several companies including Eaton Vance Australia, AppDynamics Australia and Odyssey House. He is also an ex-officio member of the Board Audit Risk Committee for Mission Australia. An Associate Chartered Accountant, Garry is a Graduate of the Australian Institute of Company Directors.



Robyn FitzRoy – Director

BA, MA, FAICD

Robyn was appointed to the Diversa Trustee Board on 21 December 2017. Robyn is a former Executive Director of Macquarie Bank Group where she initiated and ran a profitable direct distribution business for which she set up a business development call centre, a marketing intelligence/data analysis unit, an e-commerce platform and product development and management. She has an extensive background in marketing, business and governance with over 20 years' experience in the financial services industry.

She is also a non-executive director of the Self-Managed Super Fund Association and Gateway Bank. Committee involvement includes Chair of the Nominations & Remuneration Committee, and membership of Risk Committees and Audit Committees.

Robyn founded and is principal of her own governance consultancy which specialises in board and CEO performance evaluations. She is a former non-executive director of CUSCAL, Habitat for Humanity Australia and MLC School. Robyn is also an accredited facilitator and author of courses for the Australian Institute of Company Directors.

Note: Karen Gibson ceased to act as Director (Diversa Trustees only) on 20 December 2017. Vincent Parrott ceased to act as Director on 13 June 2018.

Remuneration

The directors of the Board did not receive and are not due any remuneration from the Fund in connection with the management of the Fund. Any Directors fees are paid by Diversa Trustees Limited.

Board committees

The Board of the Trustee is committed to strong principles of corporate governance, including continuous improvement of its performance and processes.

The following committees assist the Board, which in some cases involves engagement of external experts:

- Investment Committee

■ Audit, Compliance and Risk Committee

No penalties were imposed this year on any responsible person under Section 38A of the Superannuation Industry (Supervision) Act 1993.

Professional Indemnity Insurance

Diversa Trustees has professional indemnity insurance to protect the Trustee, its directors and the Fund against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant policy and comply with the requirements of Section 912B of the Corporations Act 2001.

The Trust Deed

The governing rules of the Fund are set out in the Grosvenor Pirie Master Super Fund – Series 2 Trust Deed. The Board has some powers to alter the Trust Deed. A copy of the Funds Trust Deed can be found online at <http://www.gpml.com.au/superannuation-products/cruelty-free-super>

Compliance

Cruelty Free Super is regulated and complies with the Superannuation Industry (Supervision) Act (1993) (SIS Act). The Fund lodges a return with APRA every year and has not received a notice of non-compliance from APRA. No penalties have been imposed in respect of the Fund under the relevant superannuation legislation



Cruelty Free Investments and Performance

There is one (1) investment option in the Fund for members of Cruelty Free – the Growth Investment Strategy for accumulation members.

Investment Strategy:

The investment strategy of the Fund takes into account the following criteria:

- (i) the risk involved in making, holding and realising investments, and the likely return from those investments, having regard to the Fund's objectives and its expected cash flow requirements;
- (ii) the composition of the Fund's investments as a whole including the extent to which the investments are diverse or involve the option in being exposed to risks from inadequate diversification;
- (iii) the liquidity of the Fund's investments having regard to its expected cash flow requirements; and
- (iv) the ability of the Fund to discharge its existing and prospective liabilities.

The current objective, strategy and asset allocation for Cruelty Free's investment option is given below. The objective is not a promise or guarantee of a particular return or benefit but is utilised by the Trustee to measure the performance of the option.

Part of the Fund's assets may be allocated to external fund managers and their products. Asset allocations may vary from time to time for various reasons including asset allocation decisions and market movements.

The upper and lower limits of the benchmark may also vary from year to year, depending on changes to the Investment Strategy made by the Trustee.

Refer to the current Cruelty Free Product Disclosure Statement (PDS) including related Incorporated Information for the Fund for more detailed information about the investment strategy and investment risks. The PDS is available by contacting Cruelty Free on 1300 022 762.

You should consider the likely investment return, the risk and your investment time frame when choosing an investment option.

Accumulation Members

Cruelty Free Balanced Growth Investment Option				
Suitability	This strategy is suitable for members comfortable with accepting short term market/ performance volatility in order to achieve higher returns. This product is designed for members who want to save for their retirement without investing in companies whose activities include the abuse or exploitation of animals or who are not consistent with ethical, environmental or social values.			
Investment Strategy	The option aims to invest in a diverse mix of assets with the majority in growth assets such as shares, with a modest investment in defensive assets such as cash and fixed interest. The option's exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds This option aims to provide investors with the highest possible returns consistent with a 'growth' investment strategy, through investment in companies and assets that specifically do not harm animals. Specific allocations may vary but the fund will retain a broad 70/30 split between growth and income assets and a bias toward Australian assets.			
Investment Return Objective	CPI + 2.25% per annum over rolling eight year periods (after fees and taxes).			
Investor Horizon	Minimum 4 - 6 years			
Asset Classes and Benchmark Allocation		Upper Limit	Lower Limit	Benchmark
	Australian shares**	85%	45%	70%
	International shares**	15%	0%	0%
	Total growth			70.0%
	Australian fixed interest	45%	15%	25%
	Cash	20%	2.5%	5%
	Total income			30.0%
Estimated number of negative annual returns (Risk Objective)	Risk Band 6: High (4 to less than 6 estimated negative annual returns over any 20-year period).			

** includes listed property securities and REITs

Net Earning Rate

The Net Earnings Rate of the Cruelty Free investment option, after providing for administration and management fees and for any tax on investment earnings (other than fees and costs deducted directly from your account), in accordance with the Allocation of Earnings Policy as described below, is as follows:

Investment Option	Cruelty Free Growth
Compound Average Return to 30 June 2018 (p.a.)	3.03%
5 Year Compound Average Return to 30 June 2018 (p.a.)	6.41%
Average Return since inception (30 September 2010) (p.a.)	5.76%

Please note, past investment performance is not a reliable indicator of future investment performance. For information about the fees and costs deducted prior to the calculation of net earnings see the “Fees and Other Costs” section of the current PDS applicable to your account, available from Cruelty Free.

Gross Assets of the Cruelty Free Fund

The assets of the Fund are invested across a range of asset classes. The value of each asset class and the percentage that it represents of the Fund’s assets are set out below:

	30 June 2018	
	% of Assets	Amount \$
Australian Shares	53.3%	25,669,077.18
International Shares	4.8%	2,324,550.00
Alternatives/ Other	9.1%	4,413,820.01
Fixed Interest	23.2%	11,213,376.70
Cash	9.6%	4,628,769.45
Total Assets	100.0	48,249,593.34

	30 June 2017	
	% of Assets	Amount \$
Australian shares*	64.6%	21,671,827.06
International shares	0.0%	-
Alternatives / Other	0.0%	-
Fixed Interest	28.9%	9,710,781.26
Cash	6.5%	2,182,952.79
Total Assets	100.0	33,565,561.11

Significant Investments

As at 30 June 2018 assets inside the Fund which individually represent more than five (5) per cent of total assets (or the ten (10) highest percentage assets) were:

Assets	%	\$
NAB - Fixed Interest	4.6%	2,000,000.00
Telstra Corporation Limited – Shares	4.2%	1,831,380.00
Commonwealth Bank of Australia – Fixed Interest	4.0%	1,764,923.00
Dexus – Shares	3.0%	1,321,715.49
ISHPL – Fixed Interest	2.9%	1,262,625.00
Suncorp Group Limited – Shares	2.8%	1,243,068.00
Stockland – Shares	2.7%	1,167,958.12
Brambles Limited - Shares	2.6%	1,154,400.00
Insurance Australia Group Limited – Shares	2.6%	1,151,550.00
Healthscope Limited – Shares	2.5%	1,105,000.00

Allocation of Earnings Policy

As the Fund is unitised, the value of your account at any time is the number of units held by you multiplied by the applicable unit price. Earnings from investments are allocated to members through the calculation of unit prices (usually daily) for the investment option. The calculation of unit prices takes into account the performance of underlying investments and any fees, costs and taxes as applicable to the investment option.

Refer to the current PDS applicable to your account for more detailed information about unit pricing, available by contacting Cruelty Free on 1300 022 762.

Sometimes unit pricing errors may occur. In the event that a material unit price error is detected and requires rectification, the Trustee may apply a fixed dollar minimum of \$20 when determining whether exited (former) members affected by the error should be compensated.

Derivatives

The Trustee does not intend to invest directly in any futures, options or other derivative instruments. However, external managers may use derivatives in managing pooled investment vehicles in which the Trustee invests.

Reserves

Operational Risk Reserve:

As part of the Stronger Super reforms, all superannuation funds are now required to establish and maintain an Operational Risk Reserve (ORR) to specifically cover potential losses arising from operational risks that may affect the Fund's business operations. The Trustee has built up the ORR within the Fund to the defined target. The operational risk reserve is accumulated at up to 0.05% p.a. and indirectly applied through the daily unit price calculation.

The movement of the Operational Risk Reserve for the Grosvenor Pirie Fund since implementation is as follows:

	Balance
Balance: 30th June 2014	\$0
Balance: 30th June 2015	\$162,563
Balance: 30th June 2016	\$609,515
Balance: 30th June 2017	\$349,351
Balance: 30th June 2018	\$387,062

The ORR is currently invested in a cash via a bank account that will minimise the risk of a fall in capital value.

Buy/Sell Costs

When a member buys or sells units, this initiates a need for the Trustee to trade the underlying assets that relate to the particular investment transaction. This trading generates transaction costs such as brokerage, settlement costs (including custody costs), government taxes/duties/levies, bank charges and account transaction charges which are paid from the investment option.

These transaction costs are reflected in a buy/sell spread that is taken into account in the calculation of unit prices. The buy/sell spread is the difference between the entry price and exit price of units and is an additional cost incurred by members each time they invest (including via rollovers from other funds) or withdraw funds. The buy/sell spread is retained within the Fund and contributes towards the transaction costs associated with the Fund buying or selling assets in relation to investment transactions initiated by members or relating to the administration of member accounts.

The spread ensures that those members joining or leaving the Fund or product, or switching investment options, contribute towards these transaction costs and other investors who are not joining, leaving or switching investments at that particular time are not disadvantaged.

The buy/sell spread for the investment option is made up of the following costs:

	Buy	Sell
Investment Strategy		
Cruelty Free Growth	0.07%	0.07%

The movement of the buy/sell reserve for the Fund since implementation is as follows:

Changes in buy/sell reserve	2018	2017	2016	2015	2014
Reserve balance at the beginning of the reporting period	0	0	\$43,529	\$34,919	\$17,315
Plus: Transfers into reserve	0	0	0	\$175,321	\$17,604
Plus: Earnings on reserve	0	0	0	0	0
Less: Transfers out of reserve	0	0	(\$43,529)	(\$166,711)	0
Balance:	0	0	\$0	\$43,529	\$34,919

Financial Statements

The audit of the Grosvenor Pirie Super Fund for the year ended 30 June 2018 has been completed and the Auditor has issued an unqualified opinion on the Fund's financial statements. You may obtain a copy of the fully audited accounts and the auditor's report by calling Cruelty Free on 1300 022 762.

The following abridged financial information has been taken from the audited financial statements for the Grosvenor Pirie Fund for the year ended 30 June 2018:

Statement of Financial Position for Year Ended 30 June	2018 (\$)	2017 (\$)
Assets		
Cash and cash equivalents	4,458	4,837
Term Deposits	66	64
Investments	74,863	68,329
Interest receivable	3	-
Distributions and dividends receivable	294	304

Receivable from successor fund	-	4,096
Other receivables	123	329
Deferred tax assets	-	242
TOTAL ASSETS	79,807	78,201

Liabilities		
Benefits payable	280	200
Accounts payable and accrued expenses	333	628
Current tax liabilities	185	1,722
Deferred tax liabilities	389	268
TOTAL LIABILITIES	1,188	2,818

Net Assets Available for Member Benefits	78,620	75,383
Member Liabilities	78,203	72,841
NET ASSETS	417	2,542

EQUITY		
Operational Risk Reserve	387	349
Expense Recovery Reserve	117	-
Unallocated Surplus	(87)	2,193
TOTAL EQUITY	417	2,542

Statement of Change of Member Benefits for Year Ended 30 June	2018 (\$)	2017 (\$)
Opening balance of member benefits	72,841	224,841
Contributions		
Employer	4,481	20,317
Member	596	6,346

Government contribution	73	495
Transfers in	13,729	68,440
Income tax on contributions	(703)	(3,332)
Net after tax contributions	18,176	92,266
Benefits to members	(16,642)	(253,643)
Insurance premiums charged to members' accounts	(51)	(122)
Income protection payments credited to members' accounts	-	70
Benefits allocated to members' accounts, comprising:		
Net investment income	5,238	12,501
Administration fees	(1,500)	(4,613)
Other	75	18
Reserve transferred to / (from) members		
Operational risk reserve	(38)	(392)
Unallocated Surplus	103	1,915
Closing balance of member benefits	78,203	72,841

Service Providers

The Trustee uses a number of professional service providers to ensure the Fund operates as efficiently as possible. These may change at the discretion of the Trustee from time to time. Service providers include:

Investment Manager	Future Super Asset Management Limited	ABN: 81 002 558 956 AFSL: 238184
Administrator	OneVue Super Services Limited	ABN: 74 006 877 872
Promoter	Future Super Asset Management Limited	ABN: 81 002 558 956 AFSL: 238184

Transfers to an Eligible Rollover Fund (ERF)

Superannuation legislation allows superannuation trustees to transfer benefits to an eligible rollover fund (ERF) as determined by the trustee. We have decided that benefits may be transferred to an ERF as permitted from time to time.

The Trustee's nominated ERF is the Super Money Eligible Rollover Fund) (ABN 94 334 023 289). The contact details of Super Money Eligible Rollover Fund are:

Super Money Eligible Rollover Fund ("SMERF")
PO BOX A2499
SYDNEY SOUTH NSW 1235
www.smerf.com.au

If your superannuation benefits are transferred to Super Money Eligible Rollover Fund, your personal information will be passed on to Super Money Eligible Rollover Fund so they can establish and administer your account.

Once your benefit is transferred to the ERF you become a member of the ERF and cease to be a member of the Cruelty Free fund. Any insurance cover applicable to you in the Cruelty Free fund will also cease.

The ERF has different investments and fees and costs to Cruelty Free. The ERF does not provide insurance cover. If you would like further information about the features of the ERF, contact the Super Money Eligible Rollover Fund for a copy of Super Money Eligible Rollover Fund's product disclosure statement.

The Trustee is also the trustee of Super Money Eligible Rollover Fund and receives remuneration in this capacity.

Other Information

This update was compiled as at September 2018 and is subject to change. For up to date information relating to taxation of superannuation, go to www.ato.gov.au or contact the Fund.

Superannuation changes announced in the 2018 Federal Budget

Superannuation related changes announced in the recent May 2018 Federal Budget are designed to increase member protection and the flexibility of rules around superannuation. Some of the proposed changes (which have not yet been legislated) are:

- insurance in superannuation will move from default to an opt-in basis for any member with a balance below \$6,000, or who is under 25 years or with an inactive account (with no contributions in 13 months). These changes are to take effect from 1 July 2019. Members who are impacted have until then to decide whether to opt-in to their existing cover or allow it to terminate
- administration and investment fees charged by super funds will be capped at 3% pa of accounts with balances below \$6,000. Exit fees will be banned for all super accounts. These changes are to take effect from 1 July 2019
- individuals with multiple employers and with income exceeding \$236,157 will be able to nominate that wages from certain employers are not subject to SG from 1 July 2018 in order to avoid unintentionally breaching the \$25,000 concessional cap
- an exemption from the work test for voluntary contributions for individuals aged 65 to 74 with balances below \$300,000 in the first year they do not meet the work test requirements. (The contribution caps will still apply to the contribution.) These changes are to take effect from 1 July 2019

- superannuation fund trustees will be required to develop a retirement income strategy for fund members, which is aimed at supporting the Government's proposed comprehensive income product for retirement (CIPR) framework
- all inactive superannuation accounts (where no contribution has been received for 13 months) with a balances below \$6,000 will be required to be transferred to the Australian Taxation Office (ATO). ATO data-matching will be expanded to pro-actively reunite these with members' active accounts, where possible. The changes take effect from 1 July 2019
- the ATO will be provided additional funding to develop new integrity models and undertake additional compliance activity to alert individuals to the requirement that they comply with Notice of Intention to Deduct (NOI) requirements. This measure is proposed to commence from 1 July 2018.

Highlights of key superannuation changes from 1 July 2018

The Government has made a number of significant reform proposals in relation to superannuation, some of which have since been legislated and took effect (generally) from 1 July 2018.

Key changes include:

- from 1 July 2018, superannuation fund members will be able to 'carry-forward' any unused amount of the concessional contributions cap. Members will be able to access their unused concessional contributions cap on a rolling basis for five years. Amounts carried forward that have not been used after five years will expire. The first year in which superannuation fund members can access unused concessional contributions is 2019–20 (when unused concessional contributions for the 2018 – 19 year can be carried forward). Members will only be able to carry-forward their unused concessional contributions cap if their total superannuation balance at the end of 30 June of the previous financial year is less than \$500,000
- first home buyers will be able to withdraw voluntary superannuation contributions made from 1 July 2017 for a first home deposit. From 1 July 2017 individuals can contribute up to \$15,000 per year (subject to contribution caps). They will be able to withdraw up to \$30,000 (plus associated earnings) per person in total under the scheme. Withdrawals of contributions (and any associated deemed earnings) may be made from 1 July 2018
- a person aged 65 or over can contribute up to \$300,000 from the proceeds of the sale of their home as a non-concessional contribution into superannuation, from 1 July 2018. This is in addition to the maximum contribution otherwise permitted in super (but the transfer balance cap for conversion from the accumulation to retirement phase will still apply). This measure will apply to sales of a principal residence owned continuously by you and/or your spouse for the past 10 or more years and both members of a couple will be able to take advantage of this measure for the same home
- reforms to dispute handling arrangements have been legislated where the current external dispute resolution body for superannuation, the Superannuation Complaints Tribunal will be replaced with the Australian Financial Complaints Authority from 1 November 2018.

Superannuation changes revisited from 2017 Federal Budget

Total superannuation balance

The total superannuation balance cap was introduced on 30 June 2017, as a test to determine an individual's non concessional contributions cap and bring forward period. Essentially it is the total value of your accumulation and retirement phase interests including any rollover amounts across all of your superannuation providers calculated as at 30 June of each financial year. Excluding any contributions made with the proceeds of a personal injury compensation payment, it is indexed annually. And is \$1.6m for the year ending 30 June 2018.

Your total super balance is relevant when working out your eligibility for the:

- unused concessional contributions cap carry-forward
- non-concessional contributions cap and the two or three year bring-forward period
- government co-contribution

- tax offset for spouse contributions.

Concessional and non-concessional contribution caps

2018/2019 financial year

Concessional cap (CC) \$25,000*

* Caps are (indexed in line with the average weekly ordinary time earnings (AWOTE), and rounded down to the nearest \$2,500).

Since the 1st July 2017, you have been able to claim a tax deduction for your personal voluntary contributions to a complying superannuation fund up to the CC. Certain eligibility rules apply. Further guidance can be found at www.ato.gov.au.

2018/2019 financial year

Non-Concessional cap (NCC)

Annual (1 year) \$100,000**

3 year bring forward \$300,000***

** Available if you are aged 65 or under. (indexed to four times the annual concessional contributions cap). If total superannuation balance at 30 June 2018 is \$1.6m or more, NCC cap is nil.

*** This maximum amount will decrease if your total superannuation balance is over \$1.4m.

Non-concessional contribution restrictions

Members with a total super balance of \$1,400,000 or more on 30 June 2017 have restrictions on the amount that can be contributed to super. This includes:

- a reduced NCC
- a shorter bring forward period
- the inability to make any contributions if your total super balance is over \$1,600,000.

The bring-forward arrangement

If you are under 65 years of age, you may make non-concessional contributions of up to three times the annual non-concessional contributions cap in a single year by bringing forward your non-concessional contributions cap for a two or three-year period. If eligible, you automatically gain access to future-year caps known as the bring-forward arrangement.

Going forward into the 2018-19 financial year, to access the bring-forward arrangement:

- you must be under age 65 years of age for at least one day during the triggering year (the first year)
- your total superannuation balance must be less than \$1.5 million as at 30 June 2018
- the remaining cap amount for years two and three of a bring forward arrangement will be reduced to nil for a financial year if your total super balance is greater than or equal to the general transfer cap of \$1.6 million as at 30 June of the previous financial year.

The bring forward applies from 1 July of the first financial year where NCC's exceed \$100,000. Transition rules apply where bring forward was triggered in 2016/17 and total NCC's up to 30 June 2017 were less than \$540,000.

How the bring-forward arrangement works

Total super balance at 30 June 2017	Max. non-concessional contributions cap for first year available	Bring-forward period
Less than \$1.4m	\$300,000	3 years
\$1.4m to less than \$1.5m	\$200,000	2 years

\$1.5m to less than \$1.6m	\$100,000	No bring-forward period, general concessional contribution cap applies
\$1.6m	Nil	N/A

Transfer balance cap

The transfer balance cap introduced a new limit on the amount of your accumulated super benefits that you can transfer or hold in retirement phase to support an income stream over the course of your lifetime. Starting at \$1.6m and in place since the 1st July 2017, it is indexed in line with the consumer price index (CPI). However, the indexation is based on the amount remaining of available cap space.

The transfer balance cap does not include transition to retirement (TRR) accounts, and there is no limit on the amount you can have in your accumulation super accounts.

The transfer balance cap works in a similar way to a bank account. Amounts transferred to the retirement phase give rise to a credit (an increase), and certain transfers out of the retirement phase give rise to a debit (a decrease) in your transfer balance account. You will be able to make multiple transfers into retirement phase accounts, as long as you have available cap space. After 1 July 2017, if your pension account(s) grow over time (through investment earnings to more than \$1.6 million), you will not exceed your cap. However, if your pension accounts go down over time, you cannot 'top up', if you have already used your cap.

What counts towards your transfer balance cap?

- The combined value of all superannuation pension accounts held in retirement phase.
- The value of other pensions or annuities must also be counted towards your cap, for example:
 - a superannuation pension you start to receive from a deceased spouse's superannuation account
 - a pension income you receive from a former spouse's superannuation pension as part of a family court settlement.

Although there is a limit on the amount of assets you can transfer into a tax free retirement phase (pension) account, this does not affect the amount you can have in the accumulation of taxable income phase of a super fund. Any amount can be held in super accumulation (taxable) phase, and/or be taken as lump sum payments.

Consider obtaining financial advice to assess your closeness to the total super balance and transfer balance cap, and to assist you to determine your ability to make further non-concessional contributions.

- This superannuation legislation update is a broad summary for general information purposes only. The application of some of the legislative changes can be complex. Further information on superannuation legislation changes can be found at www.ato.gov.au. We recommend that you speak to your financial adviser about how these and any other relevant superannuation changes may affect you. The implications depend on your personal circumstances.

General

If you have any queries about the Fund's operations please contact Cruelty Free on: 1300 022 762 during office hours, or write to, Cruelty Free, GPO Box 1858, Sydney NSW 2001.

You also should find most information that you need to know about this product in the current PDS applicable to your account, in this Annual Report and in your Annual Member Statement. A copy of the latest PDS relevant to you is available on request or at <http://www.gpml.com.au/superannuation-products/cruelty-free-super>.

You have the right to inspect or request copies of information about the Fund including the following:

- Trust Deed
- Audited Financial Accounts and

- Auditor's Reports

Requests should be in writing and addressed to the Trustee as stated above.

Enquiries and Complaints

If you have any enquiries about your superannuation entitlements, please call Customer Service on 1300 022 762. The Trustee is obliged to provide you with information you reasonably require to understand your benefit entitlements. If you have a complaint, please call or write to us on 1300 022 762 or GPO Box 1858, Sydney, NSW 2001. If you are not satisfied with the handling of your complaint, or your complaint has not been resolved within 90 days, you may contact the Australian Financial Complaints Authority (AFCA) on 1800 931 678 or send your complaint to GPO Box 3, Melbourne, VIC 3001. The AFCA is an independent body set up by the Federal Government to assist in resolving superannuation complaints.

Contributions Surcharge

During the reporting period, we may have received a surcharge assessment from the Australian Taxation Office (ATO). The amount payable in respect of members is deducted from the relevant member's account and remitted to the ATO.

Former Temporary Residents' Superannuation

The Trustee has an obligation to pay unclaimed superannuation of a non-resident to the Commissioner of Taxation under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999. The Trustee relies on ASIC relief to the effect that the Trustee is not obliged to notify or give an exit statement to a non-resident in circumstances where the Trustee pays unclaimed superannuation to the Commissioner of Taxation. Also, please note that non-residents have a right to make application to the Commissioner of Taxation in order to claim the unclaimed superannuation under Division 4 of Part 3A of the above mentioned Act. For further information, go to www.ato.gov.au or contact the Australian Taxation Office on 13 10 20.

More Information

Further information is available on request. For more information about the Fund or this product please contact Cruelty Free on 1300 022 762 and ask for the current PDS including related Incorporated Information or visit Cruelty Free's website: <http://www.gpml.com.au/superannuation-products/cruelty-free-super> or write to GPO Box 1858, Sydney NSW 2001

Disclaimer

Reasonable care is taken to ensure that information is correct, but neither the Trustee nor its service providers accept responsibility for any errors, misprints or for anyone acting on this information. The Trustee reserves its right to correct any errors or omissions.

The terms of your membership in the Fund are set out in the Fund's Trust Deed and any applicable insurance policy and product disclosure statement. Should there be any inconsistency between the Trust Deed and other documents, the terms of the Fund's Trust Deed will prevail. The Trustee reserves the right to amend the terms and conditions of the Fund in accordance with the provisions of the Trust Deed and superannuation law. The Trustee may also withdraw the product disclosure statements and close the Fund.