Goldman Sachs & JBWere Superannuation Fund

Newsletter June 2017

Topics covered in this newsletter:

Top performing superannuation fund

The Trustee is pleased to advise members that the Fund continues to perform strongly over the longer term. The Fund's investment performance was ranked number 1 over the 5, 7 and 10 year periods to 31 March 2017 according to the latest SuperRatings data* of MySuper Default Options. The Fund's performance over the 10-year period to 31 March 2017 topped the rankings with a 7.63% pa return, 2.07% pa ahead of the next ranked super fund.

- 5 year return to 31 March 2017 – Ranked 1 (with a return of 12.63%)
- 7 year return to 31 March 2017 – Ranked 1 (with a return of 8.94%)
- 10 year return to 31 March 2017 – Ranked 1 (with a return of 7.63%)

As the key benchmark for superannuation fund performance is longer term investment returns, we are pleased to announce these results. The Trustee's investment strategy is to prudently invest the assets of the Fund in pursuit of the maximum rate of return possible, subject to acceptable risk parameters and maintenance of an appropriate diversification of investments. By continuing to utilise access to the investment resources of Goldman Sachs and JBWere, the Fund has continued to meet the key investment objectives over the longer term.

*SuperRatings' Fund Crediting Rate Survey – MySuper Default Options

Fund performance

A summary of the Fund's monthly crediting rates since 1 July 2016† is set out in the following table. The returns on the Mercer Employer Super Balanced Growth Survey have been included for comparison.

Month	Crediting rate for the month#	Mercer Employer Super Balanced Growth Survey Balanced Median for month
July 2016	3.8%	2.6%
August 2016	0.3%	0.2%
September 2016	-1.5%	-0.1%
October 2016	-1.6%	-0.9%
November 2016	0.9%	1.2%
December 2016	2.6%	2.3%
January 2017	-0.9%	-0.1%
February 2017	1.6%	1.2%
March 2017	2.5%	1.3%
9 Months to 31 March 2017	**8.4%**	**7.9%**

† Account Based Pension crediting rates are available on the website **www.gsjbw.superfacts.com**.

For further information or to make changes to your Fund arrangement, simply:

Call the Helpline on **1800 025 026**

Check the website **www.gsjbw.superfacts.com**

Under the Fund's Investment Strategy, our investment return objective is to generate a total net return of at least 4% above inflation over a 10 year rolling period.

The following table demonstrates the Fund's strong performance relative to the benchmark over the long term†, relative to the investment return objective. Note that the Fund's Annual Net Return takes into account all fees and costs (including administration fees) deducted from member accounts as applicable to JBWere and Retained members.

Year ending 30 June	Annual net return	Moving average return (pa)	Moving average return target (pa)
30/06/2016	5.17%	7.53%	6.35%
30/06/2015	10.74%	9.38%	6.65%
30/06/2014	15.56%	10.46%	6.76%
30/06/2013	25.49%	10.26%	6.71%
30/06/2012	-1.75%	8.02%	6.73%
30/06/2011	8.50%	8.03%	6.89%
30/06/2010	13.20%	8.53%	7.14%
30/06/2009	-6.68%	8.74%	7.14%
30/06/2008	-7.20%	11.19%	7.10%
30/06/2007	18.10%	13.10%	6.73%
30/06/2006	23.70%		6.55%

† It is very important to note that past performance is not a reliable indicator of future performance.

Remember that you can look up the Fund's most recent crediting rates on the Fund website **www.gsjbw.superfacts.com**, at any time.

Investment Update

Australian Equities

The S&P/ASX 200 Accumulation Index returned 4.8% over the quarter as global equity markets continued to rise on expectations that Donald Trump's reflation policies would boost economic growth and corporate earnings. The best performing sector was the healthcare sector, which returned about 15% over the three months, more than reversing the losses in the prior quarter. Healthcare stocks were helped by slightly lower bond yields, as investors rotated back into defensive sectors. Other defensive sectors such as consumer staples and utilities also performed strongly, both rising 11% over the quarter. The weakest sector was telecommunications, which would normally benefit from a rotation back into defensive stocks, however, the poor performance was driven by significant declines in the Telstra share price after the company reported disappointing first half earnings results.

International Equities

International equities generated returns of 5.6% in local currency terms over the past three months, helped by positive economic news in the United States and Europe, and the extension of the rally in equity prices following the US Presidential election. In Australian Dollar terms, international equities returned 1.0% as the Australian Dollar gained four US cents against a weaker US Dollar and it was also helped by a rise in iron ore and coal prices. Internationally, the information technology sector was the best performer, with returns of almost 12%. Energy shares were weaker over the March quarter, losing 5.3% as the oil price fell when it was reported that US oil production had risen to partially offset the production cuts agreed to by OPEC and countries such as Russia. Asia ex-Japan was the strongest region, with returns of 13% over the quarter, and emerging market shares rose 7.8% as potential risks from a stronger US Dollar, and protectionist US trade policies, appeared less likely.

Fixed Interest

After a sell-off in government bonds in the second half of 2016, bond yields were relatively flat in the March quarter with US 10-year Treasury bond yields stuck in a trading range between 2.30% and 2.60% per annum. The bond sell-off took a pause as investors worried that Donald Trump would have more difficulty getting some of his election promises enacted. The failure of the Republican-controlled US Congress to agree on changes to healthcare laws sent a signal to investors that changes to tax rates, and policies to boost spending on infrastructure, may be harder to get approved. The March rate hike in the US and commentary by the US Federal Reserve had little impact on market pricing for future rate hikes.

Australian bonds returned 1.23% over the quarter and hedged international bonds returned 0.68% over the quarter. Ten-year government bond yields fell about 4-6 basis points in Australia and the United States but rose by 12 basis points in Germany after the European Central Bank signalled that its bond buying program may begin tapering in early 2018.

Alternatives
Alternative investment strategies returned 2.0% in the March quarter, according to the HFRI Fund of Funds Composite Hedge Fund Index in US Dollars. Over the quarter, equity long-short strategies produced the best returns (+3.6%) while macro funds produced the weakest returns (-0.2%) as markets remained choppy with no strong price trends emerging.

Cash
The Bloomberg AusBond Bank Bill Index returned 0.4% for the quarter and has returned 1.9% for the 12 months to 31 March 2017. Over the quarter the RBA left the cash rate unchanged at 1.50% and appears likely to keep interest rates steady in 2017.

Benchmark Performance

The table below summarises the performance of all relevant benchmark indices across the various investment asset classes over the last quarter, half year and 12 months to 31 March 2017.

Total Returns to 31 March 2017

Asset Class	Benchmark Index	3 Month	6 Months	1 Year
Cash	Bloomberg AusBond Bank Bill Index	0.44%	0.88%	1.94%
Fixed interest – Domestic	Bloomberg AusBond Composite Bond Index	1.23%	-1.67%	2.09%
Fixed interest – Global	Barclays Capital Global Aggregate Index (A$ hedged)	0.68%	-1.50%	2.16%
Alternatives	HFRI Fund of Funds Hedge Fund Index (US$)	2.03%	2.91%	5.86%
Australian Equities	S&P/ASX 200 Accumulation Index	4.82%	10.25%	20.49%
International Equities – Hedged	MSCI World Accum Index ex Australia (Local Currency)	5.59%	10.72%	17.78%
International Equities – Unhedged	MSCI World Accum Index ex Australia (A$)	1.00%	8.88%	16.23%

Source: Factset

Market Outlook
The rally in global equities following the US election paused in March as investors began to question whether Donald Trump would be able to implement many of his election promises. Divisions within the Republican Party were highlighted with its failure to repeal and replace the Affordable Care Act (ACA). This has led many investors to question whether Trump's other key election promises; tax cuts and infrastructure spending, can be supported by the fiscally conservative interests within the Republican Party given health care savings were meant to help fund some of these other initiatives and tax changes are seen as more complex to negotiate than the healthcare changes. Globally, "soft" economic indicators such as consumer and business surveys have climbed to their highest levels in many years suggesting either that economic growth in the major economies will accelerate significantly or that the optimism is unfounded and developed market growth will remain subdued.

Equities: We continue to take the view that banks in Australia are relatively expensive given a low growth outlook and regulatory changes that could increase capital requirements and slow lending growth. We expect commodity prices, particularly iron ore, to moderate from recent highs and this will flow through to the earnings of the major miners.
In the ex-financial industrials part of the Australian market, price-earnings multiples are very high at a time when earnings growth is, on average, quite slow. Internationally, the growth outlook remains better than in Australia, although in the United States this is largely priced into valuations, which are expensive relative to historical levels. In other developed markets, valuations are more reasonable. The recent out-performance of European stocks, due to better growth prospects and weaker election polling by Euro-sceptic parties, has reduced some of the regional attractiveness. Also European corporate earnings growth tends to be heavily weighted towards cyclical sectors such as financials and materials, which are more vulnerable if the anticipated growth fails to eventuate.

Fixed income: The sell-off in global long term bonds reversed in mid-March when it became clear that the "Trump" trade may not continue following the failure of the ACA reforms. The fall in bond yields was also helped by relatively benign commentary from the US Federal Reserve following the March rate hike. We expect that long-term government bonds will most likely continue to trade in a 20-30 basis point range at around current yield levels before heading higher later this year as the US Federal Reserve follows through with its expectation of raising interest rates twice more in 2017 and begins reducing the size of its US$4.5 trillion balance sheet. We also expect the European Central Bank to start to taper its purchases of corporate and government bonds in early 2018.

Alternative assets: Although financial market volatility remains relatively subdued, sector and style rotation and individual stock volatility has created more opportunities for alternative asset managers. We also like the portfolio insurance characteristics of some strategies within a diversified portfolio, particularly given higher valuations for traditional asset class valuations and uncertainties around the political and policy landscape.

Currency: The Australian Dollar continues to be influenced by commodity prices and interest rate differentials. Rising US interest rates and the stable Australian cash rate outlook suggest the exchange rate should be lower, but higher commodity prices would suggest a stronger Australian Dollar. We expect that commodity prices, particularly iron ore, will moderate further, dragging down the Australian Dollar, and there is evidence in recent weeks that this process may have already begun.

Investment Update Source: Goldman Sachs Australia Pty Ltd and JBWere Ltd

Spouse Division

The Fund's Eligible Spouse Division provides for eligible spouses to be members of the Fund and access many of its benefits.

If your spouse wants to become an Eligible Spouse Division Member, please complete and sign the membership application form for eligible spouse members (available on the **Fund website** or via request from the Fund Helpline).

Please send these forms and an initial contribution of at least $2,000 to:
The Administrator, **GPO Box 4303, Melbourne VIC 3001**.

Upon becoming an Eligible Spouse Division Member, the Trustee will establish and maintain an Eligible Spouse Division Member's Account on your spouse's behalf. This Eligible Spouse Division Member's Account works in a similar way to a bank account.

Amounts that may be paid into, or credited to, the Eligible Spouse Division Member's Account include, but are not limited to:

- contributions made by you as his/her spouse (i.e. the permanent employee and 'original' member of the Fund);
- allotments from your account following a valid contributions splitting application;
- any contributions that your spouse makes; and
- any amount made by, transferred or allotted to the Fund's Eligible Spouse Division from another superannuation fund which is permitted by relevant law.

Spouse Contributions
The Trustee will accept contributions into the Fund made by you (i.e. the permanent employee and 'original' member of the Fund) on behalf of your spouse as long as:

- he/she was your spouse at the time the contributions were made; and
- you were a Member of the Fund at the time the contributions were made.

Subject to the Trustee's approval, your spouse may also make personal contributions to his/her Eligible Spouse Division Member's Account (whether concessional or non-concessional), although external employer contributions cannot be made. Contributions can be made by cheque or via BPAY.

Please note: The Fund does not allow external employer contributions to be made on behalf of a spouse.

You and your spouse should read the important information about 'Benefits of investing with Goldman Sachs & JBWere Superannuation Fund' before making a decision. Go to the document & forms section of the Fund's website **www.gsjbw.superfacts.com** and read the *Features of the Goldman Sachs & JBWere Superannuation Fund* booklet for more information. The material relating to 'Benefits of investing with Goldman Sachs & JBWere Superannuation Fund' may change between the time you read this and the day when the product is acquired.

Note that the key terms in this section are defined in the Fund's Trust Deed. The Fund's Trust Deed is available on the document & forms section of the Fund's website **www.gsjbw.superfacts.com** under the subheading 'fund information'.

Super check up

Although we do not provide personal financial advice, you can use this self-help Check List to help you review your super and access some resources to help you make decisions about your super.

1. **Do you know how much super you'll need when you retire?**

   Yes, I know ☐ Go to question 2 **No, I don't know** ☐

   You can:

   - visit the Fund website and use the **Retirement planner** tool which allows you to see how different choices impact your estimated retirement income.

2. **Will you have enough super?**

   Yes ☐ Go to question 3 **No, not sure** ☐

   For help, you can:

   - visit the Fund website and use the **Retirement planner**
   - use the **Salary sacrifice/Co-contributions calculator** to see the difference that additional personal contributions can make to your super.

3. **Has your situation changed?**

   Have you recently been married? Divorced? Had a baby? Bought a house? Had a pay rise? All these things can affect the amount of insurance cover that you may need for financial security. It's important to regularly review your insurance cover to make sure you're adequately covered throughout the different stages of your life.

   - Visit the Fund website and use the **Insurance Pulse Check**

4. **Do you have enough death and disability insurance cover?**

   ☐ **Yes** You and your family can enjoy peace of mind, knowing you are financially prepared for the unexpected.
   ☐ **No**

   For help, you can:

   - visit the Fund website and go into the 'Insurance' tab on the top toolbar to learn more about the insurance available in your Section of membership;
   - apply to change your cover by downloading an 'Update Insurance Cover' form from the Member forms section under the 'Forms and publications' tab on the website.

5. **Do we know who your preferred beneficiaries for your death benefit are? Are they up to date?**

   ☐ **Yes** ☐ **No, not sure**

   For help, you can:

   - Check your current beneficiaries - if we have their details, they will be listed on your benefit statement.

- To make or change a beneficiary nomination, you can do one of the following.
  - » Visit the Fund website and sign into your super account to make or change a beneficiary nomination. You'll need your member number (which is on your statement) and your PIN. You can update your PIN online if we have your email details. If you don't have a PIN, call the Helpline.
  - » Visit the Fund website and download a **Making a non-binding death benefit nomination** form or **Making a binding death nomination** form, or call the Helpline on **1800 025 026** to request a copy of one of these forms.

6. Are your contact details up to date?

Make sure the Fund has your correct contact details, so you receive all your super information. To receive Fund information as quickly as possible (and so we can be as environmentally friendly as possible), you can provide your email address too. You can update your details online or call the Helpline.

If you request to increase cover, you may need to provide health and lifestyle evidence and your request may be accepted or rejected by the insurer.

Director Changes

Election Result: The Trustee is pleased to announce and congratulate Sean Tolpinrud on being elected in the recent member representative director election. Sean will act as a Member Director for a four year term which commenced on 29 April 2017.

Additionally, William (Bill) Forde resigned as a Director creating a casual vacancy position. The remaining Member Directors nominated Nell Hutton to fill the vacancy. Nell Hutton was appointment to carry out the reminder of Bill's term, and will hold office from 29 April 2017 until 30 June 2019. We thank Bill Forde for his terrific contribution to the Fund and thank Nell for her ongoing contribution.

Have you made a binding death benefit nomination?

It is highly likely that your superannuation benefit will become one of your most valuable assets. However, what you may not realise is that this benefit on death does not automatically form part of your estate and therefore is not covered by your will. A valid binding death benefit nomination can help alleviate any concerns you may have regarding how your superannuation benefits will be distributed following your death.

Under the current Fund arrangements, members can nominate to whom they would like their benefit paid in the event of their death by either making a binding or non-binding death benefit nomination. To date, only 16% of Fund members have made a binding death nomination.

In the event that you die without a valid and 'in effect' binding death benefit nomination in place, the Trustee of the Fund will be required to exercise its discretion to decide on payment of your death benefit to any one or more of your dependants or to your estate.

Total Number of Members	**1780**	
Total Binding	366	21%
Total Non-Binding	1125	63%
No Beneficiary	289	26%

What's the difference between Binding and Non-Binding nominations?

Binding Nomination

If you make a valid binding death benefit nomination the Trustee will pay your benefit as nominated. This allows members to plan with certainty, knowing how their superannuation benefit will be paid in the event of their death (provided all requirements are complied with, including that any individuals nominated remain within the 'dependant' definition).

Binding nominations are valid for 3 years. However, a binding nomination should be reviewed if your circumstances change (e.g. birth of children, marriage or separation etc), as the Trustee has no discretion when paying a death benefit that is subject to a valid binding nomination.

Generally, a valid binding death benefit nomination will expedite the release of your superannuation benefit relative to a non-binding nomination.

You may confirm, amend or revoke your binding death benefit nomination at any time.

Non-binding Nomination

This type of nomination is not binding on the Trustee. That is, the Trustee will take your nomination into account but is not bound to follow it. As with a binding nomination, if you have made a non-binding nomination it should be reviewed if your circumstances have changed.

You may amend or revoke your non-binding death benefit nomination at any time.

How to make or update a nomination

You can make death benefit nominations (binding or non-binding) and update your beneficiaries at any time. Forms are available on the website **www.gsjbw.superfacts.com** or you can call the Helpline on **1800 025 026** for assistance with making a death benefit nomination.

Your annual Member Statement shows your nominated dependants and the proportion of your death benefit that you want them to receive in the event of your death. It also shows if your nomination is binding or non-binding.

Please note you should seek financial advice before making any decisions in regard to your superannuation.

Things to consider before 30 June 2017

Government co-contributions

If you qualify for the Government super co-contribution, now is the time to make the most of it. If you make a personal after-tax contribution to super prior to 30 June 2017, the Government may match 50% of your contribution up to a maximum of $500.

For the 2016/17 financial year those with a "total income" of $36,021 or less who make a personal contribution of $1000 or more to super are eligible for a maximum Government co-contribution of $500. The co-contribution reduces for each dollar over $36,021, cutting out altogether once an individual's total income reaches $51,021.

Additional eligibility requirements were added from 1 July 2017 which includes:

- having a Total Superannuation Balance of less than $1.6m on 30 June of the year before the year the contributions are being made; and
- having not exceeded your non-concessional contributions cap in the year the contributions are being made.

Concessional contributions cap

The concessional contributions cap for the 2016/17 financial year is $35,000 for those aged 49 or over on 30 June 2016, and $30,000 for others, so now is a good time to check your contributions to make sure you are not going to breach this cap and possibly incur additional tax on any excess contributions.

*Please refer to Legislative Update below for changes effective from 1 July 2017

Non-concessional contributions cap

Consider making an after tax (non-concessional) contribution to boost your superannuation savings. The non-concessional contributions cap is $180,000 for the 2016/17 financial year. The bring-forward option, allowing people under 65 years to make non-concessional contributions of up to 3 times the non-concessional limit in the first year of a 3 year period, is capped at **$540,000** (up from $450,000).

*Please refer to Legislative Update below for changes effective from 1 July 2017

Making spouse contributions to super

If you make at least a $3,000 contribution to your spouse's super and their 'total income' (i.e., assessable income, reportable fringe benefits (RFB) and reportable employer superannuation contributions (RESC)) is $13,800 or less, you may be eligible to receive a tax offset of $540.

The tax offset is progressively reduced until the tax offset reaches zero for spouses who earn $13,800 or more in assessable income (plus RFB plus RESC) in a year.

*Please refer to Legislative Update below for changes effective from 1 July 2017

Splitting spouse contributions

If you are considering splitting 2016/17 financial year contributions with your spouse, please remember you need to make this request before 30 June 2017.

Legislative Update

The Federal Parliament passed legislation to implement budgetary superannuation changes in November last year. Most of these changes take effect from 1 July 2017 and will be the most significant changes to superannuation in almost a decade. We have summarised below the key superannuation reforms applicable to the Fund.

- Recent superannuation changes announced in this year's Federal Budget have been summarised separately and made available in the Federal Budget Guide on the Fund website **www.gsjbw.superfacts.com**.

Key Superannuation rates and thresholds

Superannuation Guarantee (SG) rates

The SG legislation requires employers to provide sufficient super support for their employees. Employers are obliged to contribute a minimum percentage of each eligible employee's earnings. The rates, as currently legislated are outlined in the table below. The SG rate will remain at 9.5% for 6 years, increasing to 10% from July 2021, and eventually to 12% from July 2025.

Period	**Super guarantee rate** (charge percentage)
1 July 2014 – 30 June 2021	9.5%
1 July 2021 – 30 June 2022	10%
1 July 2022 – 30 June 2023	10.5%
1 July 2023 – 30 June 2024	11%
1 July 2024 – 30 June 2025	11.5%
1 July 2025 – 30 June 2026 and onwards	12%

Concessional contributions cap

The Coalition government has scrapped the over-50s concessional (before-tax) contributions cap of $35,000 from July 2017, and replaced it with a $25,000 cap.

The government has also cut the general concessional contributions cap (for under-50s) to $25,000, from its current $30,000, taking effect from July 2017. As a result, a concessional contributions cap of $25,000 will apply from July 2017, regardless of a member's age.

Non-concessional contributions cap

From 1 July 2017, the non-concessional contribution cap will be reduced to 4 times the concessional contribution cap (i.e. $100,000, down from $180,000). The limit under the 'bring-forward' option will be up to $300,000 (down from $540,000). Special transitional rules apply where the 'bring-forward' option was utilised in 2015/16 or 2016/17.

However, the non-concessional contribution cap will be zero if the member's total superannuation balance at the preceding 30 June was greater than or equal to the 'general transfer balance cap' ($1.6m in 2017/18).

In addition, members will not be eligible for the government co-contribution in an income year if they have exceeded the non-concessional cap for the year or if their total superannuation balance exceeds the 'general transfer balance cap'.

Also in effect from 1 July 2017, employees will be able to claim a tax deduction on post-tax contributions, providing an alternative to salary-sacrifice for tax-effective additional contributions.

Other Legislative Changes that impact all Members

From 1 July 2018, 'catch-up' concessional contributions will be allowed for individuals with superannuation balance less than $500,000.
Individuals with super balances of $500,000 or less will be able to make additional concessional contributions if they have not fully used their annual cap on concessional contributions in the previous 5 years (but not counting years before 1 July 2018). Unused amounts carried forward will expire after 5 years.

Reduced income threshold for Division 293 tax to $250,000.
Division 293 tax reduces the superannuation tax concession that high income individuals receive. From 1 July 2017, a person will be classed as a high income earner if his/her income threshold and low tax contributions are greater than $250,000 (currently $300,000). These individuals will be subject to an additional 15% tax on some or all of their concessional contributions, in addition to the standard rate of 15%. This change will impact members in the 2017/18 financial year.

Paying the Division 293 tax
The ATO will issue Division 293 tax notices of assessment in the name of individuals. These individuals have three options on paying the tax, namely:

1. pay the assessed tax out of their own monies;
2. pay the assessed tax and then seek to be reimbursed from their superannuation fund; or
3. pass on the notice of assessment to their superannuation fund (using a release authority) and have their superannuation fund pay the tax on their behalf.

Please note: If you request the Goldman Sachs & JBWere Superannuation Fund to pay the tax to the ATO (or seek reimbursement from the Fund), the Fund will apply a withdrawal fee of $180 to cover the administrative costs associated with this transaction.

The maximum spouse contribution tax offset will be available for spouse incomes up to $37,000 (currently $10,800)

Many more people will be able to obtain a tax offset of up to $540 by making contributions to their spouse's super. No tax offset will be available if the spouse receiving the contribution has exceeded their non-concessional contributions cap or if their balance is $1.6m or more.

Abolition of the anti-detriment payment
It will no longer be possible for the Fund to make an 'anti-detriment' top-up payment to the member's eligible beneficiaries upon death. From 1 July 2017, the death benefit 'anti-detriment' provisions will be removed for any death benefit where the date of death is 1 July 2017 or later. The anti-detriment top-up amount will still be applicable if the date of death is 30 June 2017 or earlier AND if the benefit is paid by 30 June 2019.

Other Legislative Changes that impact Pension Members only

The tax exemption on investment earnings will not apply to Transition to Retirement (TTR) pension balances.
Investment earnings on TTR pensions will be taxed at 15% from 1 July 2017 (currently a tax exemption is available on the investment earnings on all pension assets).

Please note: As these changes result in the removal of key benefits of the TTR Pension, we do not envisage future uptake in the Fund's TTR pension to be high. Accordingly, the Trustee is currently considering the value in maintaining this feature of the Fund.

Introducing a $1.6 million account based pension cap from 1 July 2017
The government recently put a limit on account based pensions (ABP), capping the total amount you can hold. This new limit of $1.6 million is called the 'General Transfer Balance Cap' and is effective from 1 July 2017, applicable to both existing and new ABPs.

By 1 July 2017, member pension balances exceeding $1.6 million will need to be split between pension balances operating in a tax-free environment and accumulation balances attracting 15 per cent tax (or taken outside of the superannuation system). This may require a partial commutation of your ABP to an accumulation phase product, or the withdrawal of pension balances currently in excess of $1.6 million.

This partial commutation or withdrawal will need to be completed by 30 June 2017 to ensure members don't receive a 15% tax penalty on earnings for amounts above the $1.6 million threshold. This penalty rate will increase from 1 July 2018.

Goldman Sachs & JBWere Superannuation Fund (Fund) pension members have the following options:

Option 1
Move the excess amount into an accumulation account in the Fund
We can help you move the excess amount into a accumulation account within the Fund. Having your excess funds in an accumulation account may be the most tax effective investment for you, as the maximum tax payable will be 15% on earnings.

A form has been issued to all Fund pension members with APB balances of $1 million dollars to help facilitate action.

We will not charge any fees on the movement of the excess amount. For more details regarding the Fund including ongoing fees, please see the Product Disclosure Statement **on the Fund website**.

Option 2
You can make a lump sum withdrawal
You can withdraw the excess amount from your pension account and pay it into the nominated bank account you currently use for your regular pension payments. Please note that by doing so,you will be moving your money out of the tax-advantaged superannuation system. You should also note that the partial withdrawal fee of $180 will apply to such a withdrawal.

Option 3
You can rollover the excess amount to another super account
If you already hold an accumulation account in another superannuation fund, you can rollover the excess amount to that fund if you wish, but you should note that the government's $1.6 million transfer balance cap applies to all balances you hold in account-based pension accounts, so splitting your pension balance in different fund pension accounts will not avoid the tax penalty. You should also note that the partial withdrawal fee of $180 will apply to such a rollover.

If you'd like to take advantage of either of these options, please check the appropriate box on the form provided to you and send it back to us by Wednesday 21 June 2016, or email it to us at **GSJBWAdmin@mercer.com**.

If we don't hear from you
If we don't receive any directions from you, any excess above the $1.6 million transfer cap will be moved into a new (or existing) Fund account in the week beginning Monday 3 July 2017. Once the Fund account is established we'll send you a welcome pack with your new account details.

We appreciate that this is a big change. For any questions and further clarification, please call our helpline team at **1800 025 026**.

Important Note: