

ANNUAL REPORT
Goldman Sachs & JBWere
Superannuation Fund

For the year ended 30 June 2017

This annual report has been prepared and issued by BEST Superannuation Pty Ltd ABN 57 070 732 008, RSE Licence Number L0001939 as the Trustee of Goldman Sachs & JBWere Superannuation Fund ABN 55 697 537 183, Registration Number R1005271.

Information on investment returns contained in this annual report is not a promise or prediction of any particular rate or return. Past performance is not an indicator of future performance.

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Contents

1. A message from the Chairman	5
2 Your 2016/2017 Annual Member Statement	6
3. The Investments	7
Fund Performance	7
How the Fund performed.....	7
How investment returns are applied	7
Investment Updates	7
The market financial year 2016/2017	7
Compare your Fund's performance.....	7
Benefits and market returns.....	7
Benefits of the Fund	7
How your Fund is managed	8
Your Fund has guidelines for investing	8
Investment Objective and Strategy.....	8
Where your super is invested as at 30 June 2017.....	9
Environmental, Social and Governance (ESG) Considerations.....	9
Keeping an eye on risk.....	10
Operational Risk Financial Reserve	10
Investments above 5% of assets	10
External Fund Managers as	10
4. In the Boardroom	11
Changes to the Board during the year	11
Investment Committee	11
Who is on the Investment Committee	11
Audit, Risk & Compliance (ARC) Committee	12
Who is on the ARC Committee.....	12
Remuneration Committee	12
Who is on the Remuneration Committee	12
5. Administration and Financials	13
Advisors we use	13
Insurance protection.....	13
Special tax treatment	13
No penalties	13
Costs are carefully managed	13
Fees and charges	14
Family law fees.....	15
Contribution splitting fees	15
Performance fees	15
Transactional and operational costs	15
GST.....	15

Fee changes	15
Example of annual fees and costs	17
Tax and insurance costs	17
Tax deductions	17
High Income Earner's Tax.....	17
Surcharge Tax.....	17
Financial summary	18
Statement of Changes in Net Assets for year ended 30 June 2016	18
Statement of Net Assets as at 30 June 2016.....	18
Are you getting the most out of your super?	19
Voluntary Contributions	19
BPAY Facility	19
Insurance.....	20
New Insurance Arrangements.....	20
Binding Death Benefit Nominations.....	21
Financial Advice Helpline	22
Pre-tax personal contributions – Retained and Spouse members	22
Rolling super between funds	22
Employer contributions.....	22
Amendments to the Trust Deed	22
Super News.....	22
The following matters are now legislation.....	22
What else is changing in super?	23
The following changes were announced in the May 2017 Budget:	23
Transition to Retirement Pensions	24
6. Like to know more?	25
What to do if you leave.....	25
Continuing your insurance.....	26
Your Fund Secretary	27
If you have a problem.....	27
Protecting your privacy	27
Disclaimer.....	27

1. A message from the Chairman



On behalf of the Board of Directors, I am pleased to present the Trustee Report to Members for the financial year ended 30 June 2017.

A year of political volatility

The Fund was challenged by market volatility rising from various political stages throughout the 2016-17 financial year. We are however pleased with how the Fund's strategy has withstood these challenges and achieved a strong performance for the year.

According to SuperRatings annual "SuperRatings Fund Crediting Rate Survey", which analyses over 100 MySuper fund investment options, the Fund has again ranked in the top 10 performing Australian superannuation fund over rolling 5, 7 and 10 year periods to 30 June 2017[^].

Strong Investment Performance

These long term performance results are a testament to the Fund's key investment objectives which are designed to deliver strong performance over the longer term*.

Goldman Sachs Australia Services Pty Ltd (**Goldman Sachs**) and National Australia Bank Limited (**NAB**) (for employees working principally in the JBWere business (**JBWere**)), are pleased with the performance of the Fund which delivered a positive return to members of 9.38% for the 2017 financial year.

Insurance Improvements

During the financial year, the fund took the opportunity to review the current insurance arrangements. Through this review, the Fund has negotiated a number of positive changes to the current insurance offering. Following a competitive tender process AIA has been chosen as the insurer of choice, and the Fund will now work to implementation new agreed premium and product changes by 1 December 2017.

Further details surrounding the relevant changes to the policy are provided on page 19 within the Annual Report. Members are encouraged to take up the opportunity to attend a member education session on 20th October 2017 and hear about this insurance offering and the latest superannuation changes.

Your Board and advisors

I wish to thank my fellow Trustee Directors (Kate Aitken, William Forde, Nell Hutton, Frank Macindoe, Paul Sundberg & Sean Tolpinrud), Alternate Directors (Sally Campbell, Duncan Niven, Conor Smyth), members of the Investment Committee (Frank Macindoe, William Forde, Nell Hutton, Sally Campbell, Duncan Niven, Tim Toohey, James Wright, Matt McNee, Subash Pillai and Matt Ross) and the Trustee Company Secretaries (Garvin Louie & Jim Vais) for their significant contribution to the operation of the Fund over the year. I also welcome and congratulate Sean Tolpinrud on his election to the Board, as a member-elected Director and Jim Vais on his appointment as Company Secretary. I thank Garvin Louie, Duncan Niven and William Forde who resigned during the year, for their terrific contribution to the Fund.

How to find out more about your Fund

The Fund's website at www.gsjbw.superfacts.com has all the information you need to know about your Fund and your own benefit. You can also find up-to-date general information about superannuation once you enter the website. To access specific Fund information and details of your own benefit you need to use your member number and PIN. If you have misplaced these, please call the Helpline.

If you have any questions about your superannuation, please call the Helpline on 1800 025 026 or write to the Fund Secretary (see page 20 for contact details).

Angela Manning Chairman
BEST Superannuation Pty Ltd

On behalf of the trustee of the Goldman Sachs & JBWere Superannuation Fund.
October 2017

[^] Contained in "SuperRatings Fund Crediting Rate Survey" publication dated June 2017.
* Please note that past performance is not a guide to future performance.

2. Your 2016/2017 Annual Member Statement

The Trustee must give members information about transactions and fees in their annual periodic statements.

Statements given to members include information about:

- the fees you paid, either directly by deduction of an amount from your account, or indirectly by way of an allowance in the crediting rate for the costs paid from the assets of the Fund including investment management costs; and
- details of each transaction in relation to your accounts (if any) during the period. This includes the contributions you made or that were made on your behalf and deductions made directly from your accounts.

To provide you with this, your annual information includes a combination of the following:

- Your Member Statement which includes details about your benefits, account balances and information on fees and transactions; and
- This Annual Report which includes additional information about the Fund.

Your Member Statement and the Annual Report together comprise your periodic statement for the year ended 30 June 2017.

If you have received your periodic statement electronically, and would like to receive a paper copy, please contact the Helpline on 1800 025 026 to obtain a copy free of charge.

If you have any questions about your Member Statement, please call the Helpline on 1800 025 026.

3. The Investments continued

Fund Performance

How the Fund performed

Annual effective rate of net earnings for 2016/17 <small>(the actual rate of return net of tax and investment expenses)</small>	9.38% p.a.
Compound average effective rate to 30 June 2017 (over the most recent five-year period)	
Net earnings	13.43 % p.a.
C.P.I	1.96% p.a.
Median Return*	9.60% p.a.
Credited interest rate for the year to 30 June 2017	9.38% p.a.
Inflation rate for the year to 30 June 2017 <small>(increase in Consumer Price Index)</small>	1.9% p.a.

* Mercer Employee Super Balanced Growth Survey median. Please note that past performance is not a guide to future performance.

For an explanation of the factors contributing to this year's investment performance, please see the Investment Updates section.

How investment returns are applied

For the accounts of members with accumulation balances, estimated monthly 'Crediting Rates' are set reflecting the monthly investment returns (which may be positive or negative). These estimated rates are used in calculating the benefits of members who leave the Fund during the year. Final monthly rates are set at the end of the financial year and these rates are credited as at 30 June 2017. The monthly rates are applied to account balances and contributions.

Final Rates over the year were:

2016		2017	
July	3.76%	January	-0.78%
August	0.31%	February	1.42%
September	-1.36%	March	2.24%
October	-1.45%	April	2.37%
November	0.83%	May	-0.80%
December	2.29%	June	0.32%

For the year ended 30 June 2017 the final Crediting Rate was 9.38% p.a.

Investment Updates

The market financial year 2016/2017†

After the initial shock of 'Brexit', calm returned quickly to global markets early in July 2016. In addition to more supportive stances from a range of global central banks, economic data tended to support the consensus view of steady and broad-based, but otherwise tepid, global economic growth. Correspondingly, global deflation fears continued to recede.

In November, the impact of a new administration in Washington DC added a new layer of uncertainty, with equity markets performing strongly with renewed focus on the degree of fiscal stimulus that may flow from the new US government administration. In contrast, global bond markets weakened as growth and inflation expectations rose.

Business and consumer sentiment continued to improve into early 2017 and equity markets continued to perform strongly, with a bottoming of downwards earnings revisions in the US and a turn in the corporate profitability cycle adding a further tailwind.

Emerging markets started outperforming its developed market counterparts as concerns over geopolitical risks and a higher USD from a Trump administration faded and focus shifted to the improving developed market growth backdrop.

Global bonds then rallied gaining back some of the performance previously lost in late 2016, as the likelihood of passing the proposed changes from the Trump administration were reduced. Furthermore, price and wage pressures remained muted, with core inflation moderating in the early to mid-2017. Central banks have been attributing this to transitory effects, though this view has moderated somewhat as low inflation surprises have persisted, and markets have backed away from expected rate increases.

At the end of the financial year, markets continue to closely watch central bank actions for any signs of the pace in which monetary policy stimulus will be reduced. More generally, global financial conditions remain accommodative, credit and business investment growth continues to recover in a number of regions, renewed declines in the oil price are supporting consumer spending, and fiscal drag continues to abate.

In Australia, increases in household incomes continue to be subdued, with declining savings rates being used to increase consumption. However the last few months of the financial year saw growing signs GDP growth may be poised to gradually strengthen, with employment gains picking up and business confidence strengthening.

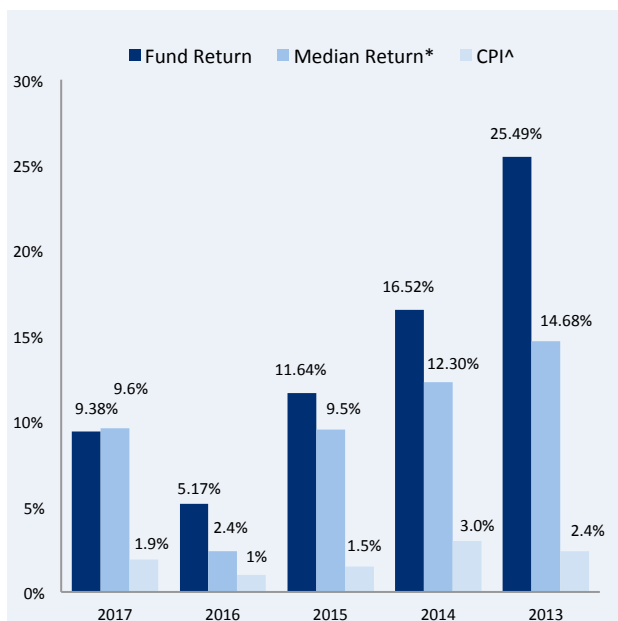
Over the year to 30 June 2017, the total return from Australian shares was 13.8% for the full financial year. Global equities returned 14.7% in unhedged terms and 20.5% in hedged terms. Bond returns were slightly negative to slightly positive, reflecting an increase in yields over the year.

† Source: Mercer Investments (Australia) Limited

3. The Investments continued

Compare your Fund's performance

The graph below shows the Fund's annual return, which is net of investment expenses and investment tax paid by the Fund over the past five years. This is compared against the Fund's investment objective of exceeding the median investment return of funds with similar asset allocation (using the Mercer Employee Super Balanced Growth Survey for this purpose) as well as exceeding increases in the cost of living (as measured by the Consumer Price Index (CPI)).



Please note that past performance is not a guide to future performance.

* Source: Mercer Employee Super Balanced Growth Survey

^ Source: Australian Bureau of Statistics

Benefits of your Fund

- Above average long term investment returns for members (13.43% p.a. return earned over last five years)*
- Flexible insurance options
- Full range of member services
- Ability to take account based pensions

* Please note that past performance is not a guide to future performance.

How your Fund is managed

Your Fund has guidelines for investing

The Trustee has an investment policy that sets out its investment strategy and objectives covering how and where the Fund's assets will be invested. While having an objective and strategy are required by law, having a strategy also helps ensure that your Fund maximises investment returns while maintaining an acceptable level of risk.

Please note that the objectives are not a forecast or guarantee of future performance. The investment policy also covers other related matters, such as appointment of investment managers and guidelines for investments in futures and options.

The Trustee delegates the day-to-day running of making and implementing investment decisions to the Investment Committee (for details of the membership, please see page 12) but the Trustee board regularly monitors the Fund's performance against its objectives and strategy. Changes are made to the investment strategy and objectives where necessary.

Investment Beliefs

The Fund aims to provide members with the opportunity to plan for their future financial security and retirement by offering:

- the opportunity to maximise investment returns in a cost effective way;
- a fund managed in accordance with good governance principles and the Law; and
- a valued package of superannuation benefits and member services.

The following Investment Beliefs form part of the Trustee's Investment Governance Framework.

Our beneficiaries' timeframe

1. Our beneficiaries overwhelmingly have an investment time horizon of 20 years plus and wish us to take a long term view. They are able to transfer some or all of their assets to other funds with a shorter term view if they need or want something with a different risk and/or return profile.

Diversification & Asset Allocation

2. Equities (Australian and international) offer better returns than fixed income over the long term, and provide better protection against inflation. Accordingly, our average allocation to equities over the cycle will be a relatively high 80-85%. This has been reinforced by the benefits for members of franking credits, which are generally undervalued by the market.

Our bias to quality means that the Australian equity portfolio's volatility (and risk assessed more generally) is lower than if we had an index exposure of the same size. This makes the high equity allocation less risky than might be expected, as shown by one of our best years in terms of relative performance being 2008, a disastrous year for equities in absolute terms.

3. The Investments continued

Diversification & Asset Allocation (continued)

We can add value by shifting between asset classes, taking a view on:

- a) valuations relative to long term measures, believing that valuations are mean-reverting; and
- b) with less certainty and hence more caution, by estimating where we are in the economic cycle.

Active management

We believe that active management can produce superior returns for the risk taken. This is reflected in taking a non-index position in all asset classes and in the choice of fund managers who also have this philosophy.

Investment Objective and Strategy

The Fund’s investment objective is to generate a total net return of at least 4% above inflation over a 10 year rolling period.

Factors considered by the Trustee and the Investment Committee in formulating the investment strategy are 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. Consideration has also been given to the size and nature of the liabilities of the Fund, particularly in relation to benefit payments.

As part of formulating the Fund's investment objective and strategy the Trustee has also considered:

- the Fund’s benefit design; and
- the requirements of the Superannuation Industry Supervision) Act 1993.

Environmental, Social and Governance (ESG) Considerations

The Trustee focuses on achieving strong risk-adjusted absolute returns. Principally, the Trustee seeks to maximise members’ benefit over the long term, and integrates Environmental, Social and Governance (ESG) considerations where they are aligned to its investment objectives.

Equity investment decisions are based on superior stock selection by investing in high-quality companies with a long term view, where “quality” is assessed with reference to a number of components including ethical, competent and shareholder-oriented management. Therefore, the investment decision-making process incorporates ESG considerations to the extent that they add value to the quality of a business.

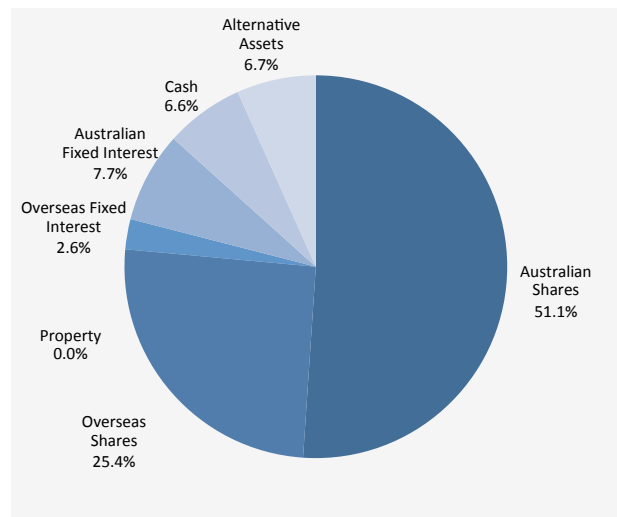
The Trustee does not have a formal methodology to explicitly

assess ESG credentials of particular jurisdictions, industries or businesses. However, the Trustee may take into account ESG considerations to the extent that they may affect the performance of a company or investment.

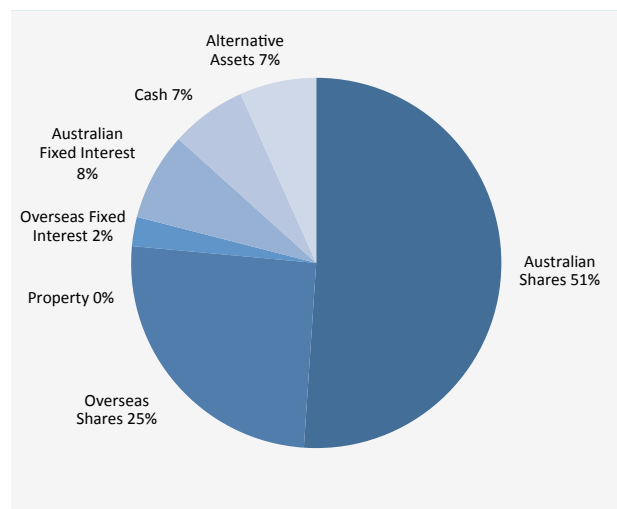
The Trustee relies on the Fund’s investment managers to identify the companies and countries that represent the best value within their mandate, and they may or may not take into account ESG considerations in the selection, retention or realisation of investments.

Where your super is invested as at 30 June

2017



2016



3. The Investments continued

Keeping an eye on risk

The Trustee's policy regarding investment in derivatives is that derivatives can be used via:

- Direct investment by the Trustee (in limited circumstances primarily to protect the value of a particular asset class);
- An investment manager appointed by the Trustee to manage part of the Fund's investments in an individually managed portfolio; or
- A collective investment scheme or listed trust in which the Trustee has invested.

Operational Risk Financial Requirement (ORFR)

The Trustee is required under law to hold an operational risk reserve (ORR). This requirement was introduced to ensure that super funds have access to resources to compensate members, where relevant, for any operational incident which adversely impacts their benefits. The ORR is within the Trustee's tolerance range.

The investment strategy of the Operational Risk Reserve will be broadly aligned with the benchmark asset allocation of the overall investment strategy, but based on the use of Exchange Traded Funds (ETFs) and passive managers as follows:

Fund Assets	Operational Risk Reserve
Fixed Interest & Cash	Cash
Australian Equities	State Street Global Advisors
International Equities	Vanguard MSCI Index
Alternative Assets	Cash

Reserve movements for the three years to 30 June 2017:

	2017	2016	2015
ORFR Balance	\$1,087,395	\$ 1,010,433	\$698,943

Investments above 5% of assets

The Trustee is required to notify members of individual investments that exceed 5% of the value of the Fund's assets. The following investments represented more than 5% of the Fund's assets at 30 June 2017.

Investment	\$m value	% of assets
Kapstream Absolute Return	\$25.0	5.3%
Macquarie Walter Scott Global Equity Unhedged Fund	\$36.1	8.14%
Zurich Investments Unhedged Global Share Fund	\$32.4	7.31%

External fund managers as at 30 June 2017

A significant portion of Fund investments are held directly and there are no investment management agreements in place with investment managers, however part of the portfolio is invested via managed funds as follows:

- Antipodes Global Fund
- BT Pure Alpha Fixed Income Fund
- Ellerston Australian Market Neutral Fund
- EQT PIMCO Wholesale Global Credit Fund
- Fairview Emerging Companies Fund
- GMO Systematic Global Macro Trust B
- Kapstream Absolute Return Income Fund
- Macquarie True Index Australian Fixed Interest Fund
- Macquarie IFP Global Franchise Fund
- Macquarie Walter Scott Global Equity Unhedged Fund
- Ophir High Conviction Fund
- Pengana Emerging Companies Fund
- Perennial Fixed Interest Wholesale
- Platinum International Fund
- Zurich Investments Unhedged Global Growth Share Fund

Some investment terms explained

- **Consumer Price Index (CPI)**
is used to measure the rate of increase in inflation. In Australia, it is based on the change in prices of a selection of household goods and services.
- **Average Weekly Earnings (AWOTE)**
is used to measure the rate of increase in average wages in Australia.
- **Asset class**
is the type of investment such as Australian shares, property securities or Australian fixed interest.
- **Growth assets**
are assets expected to grow in value over time (although their value may rise and fall in the short term), such as shares and property.
- **Asset allocation**
is the range of assets held in the various asset classes such as Australian shares, overseas shares and property.

4. In the Boardroom

Your Fund is run by a trustee company, BEST Superannuation Pty Ltd ABN 57 070 732 008, according to its governing legal document, the Trust Deed, and superannuation laws.

The Trustee Board comprises an equal number of member representative Directors (appointed by members of the Fund in accordance with the rules for the appointment of member representative Directors, two from Goldman Sachs Australia Services Pty Ltd (Goldman Sachs) and one from National Australia Bank Limited (NAB) working principally in the JBWere business (JBWere) and employer representative Directors appointed by the employers. The same ratio of directors represents the sponsoring employers in the employer appointed directors. There are currently two alternate directors – two member representative directors and one employer representative director. The duty of the alternate director is to stand in for directors who cannot be present at Trustee meetings and/or Committee meetings to enable effective and efficient decision making.

The Directors of the Trustee during 2016/17 were as follows:

Company	Employer Representative Directors	Member Representative Directors	Alternate Directors
JBWere	Angela Manning (Chairman)	Frank Macindoe	Sally Campbell Duncan Niven (resigned Aug 2016)
Goldman Sachs	Kate Aitken Paul Sundberg	William Forde (resigned Mar 2017) Nell Hutton Sean Tolpinrud (appointed Apr 2017)	Conor Smyth

Garvin Louie served as Company Secretary (resigned Dec 2016) and was replaced by Jim Vais (appointed Dec 2016).

Changes to the Board during the year

Nell Hutton reached the end of her appointed term of office on 29 April 2017. Following an election, Sean Tolpinrud was appointment as a Goldman Sachs Member Director of the Trustee Board in 29 April 2017.

Following the resignation of William Forde, a casual vacancy was created which the remaining Member Directors nominated Nell Hutton to fill. In April 2017 Nell Hutton was appointment to carry out the remainder of William Forde's term, and will hold office until 30 June 2019. Duncan Niven resigned effective 24 August 2016. We thank William and Duncan for their terrific contribution to the Fund and thank Nell for her ongoing contribution.

Jim Vais has replaced Garvin Louie as Company Secretary following his resignation on 15 December 2016.

Investment Committee

The Fund's investments are determined by the Investment Committee comprising four Directors, along with investment advisors from Goldman Sachs and JBWere. The Committee meets monthly to monitor the performance of, and to make decisions on, the investments held by the Fund. The investments are held in the name of the Fund by the Fund's custodian Invia Custodian Pty Ltd. The Fund invests in individual shares, securities and wholesale managed funds.

Who is on the Investment Committee

Directors	Alternate Directors	Investment advisors
Nell Hutton	Sally Campbell	Andrew Boak (appointed Feb 2017)
William Forde (resigned Mar 2017)	Duncan Niven (resigned Aug 2016)	Matthew McNeé
Frank Macindoe (Chairman)	Conor Smyth	Subash Pillai (resigned Dec 2016)
Angela Manning		Matthew Ross
Paul Sundberg		Tim Toohy (resigned Mar 2017)
		James Wright

4. In the Boardroom continued

Audit, Risk & Compliance (ARC) Committee

The ARC Committee provides an objective, non-executive review and performs oversight activities related to the effectiveness of the Trustee's accounting and financial reporting, internal control framework, audit arrangements, legal and regulatory compliance and risk management framework. The Committee comprises three Directors who meet at least four times a year.

Who is on the ARC Committee

Directors	Alternate Directors	Company Secretary
Kate Aitken	Conor Smyth	Garvin Louie (resigned Dec 2016)
William Forde (resigned Mar 2017)		Jim Vais (appointed Dec 2016)
Angela Manning		
Paul Sundberg (Chairman)		

Remuneration Committee

Following the introduction of the Stronger Super reforms, trustees are now required to disclose director remuneration and to establish a process to review this remuneration.

Although the Directors are not remunerated in any way for their services provided to the Fund, the Trustee was required by law to develop a Remuneration Policy and establish a Remuneration Committee to regularly review, and make recommendations to the Trustee on the operation and effectiveness of the Trustee's Remuneration Policy.

Who is on the Remuneration Committee

Directors	Alternate Directors	Company Secretary
Kate Aitken	Sally Campbell	Garvin Louie (resigned Dec 2016)
Nell Hutton (Chairman)	Conor Smyth	Jim Vais (appointed Dec 2016)
William Forde (resigned Mar 2017)		
Frank Macindoe		
Angela Manning		
Paul Sundberg		
Sean Tolpinrud (appointed Apr 2017)		

5. Administration and Financials

Advisors we use

These following organisations provide assistance to the Trustee:

Auditor and Tax Agent:
PricewaterhouseCoopers

Administrator:
Mercer Outsourcing (Australia) Pty Ltd

Fund Secretary/Risk and Compliance Officer:
Mercer Consulting (Australia) Pty Ltd

Legal:
Lander & Rogers

Actuary:
Willis Towers Watson

Insurer:
AIA Australia Limited

Custodian:
Invia Custodian Pty Ltd

Insurance protection

The Fund pays for indemnity insurance to protect the Trustee, its Directors and your Fund against the financial impact of any 'honest mistake' that might occur in running the Fund.

Special tax treatment

Superannuation is one of the most effective ways to save because it is taxed at a lower rate than many other forms of income. To get this tax advantage, your Fund must operate according to a strict set of laws. To show that your Fund has followed these laws, the Trustee lodges a return each year with APRA.

The Fund is a regulated complying superannuation fund for the purposes of government legislation.

No penalties

No penalties were imposed on the Trustee under the Superannuation Industry (Supervision) Act 1993 or Corporations Act 2001 during the year.

Costs are carefully managed

The costs of running the Fund are managed carefully. For employees of Goldman Sachs Australia Services Pty Ltd and NAB Limited, working primarily within the JBWere business, the cost of administering the Fund continues to be subsidised by your employer.

The section on the next page shows fees and other costs you may be charged. These fees and costs may be deducted from your account balance, from the returns on your investment or from the Fund assets as a whole.

You need to take into account the impact of tax and insurance costs as well. Accumulation and Pension members should refer to the relevant Fund Product Disclosure Statement for more information (available on the website).

5. Administration and Financials continued

Fees and charges

Type of fee	Amount	How and when paid
<i>Investment fee</i>	Investment costs ¹ 0.50% of Fund assets + Potential performance related fee ('PRF') 0.04% of relevant Fund assets ²	Deducted from Fund's assets and taken into account when the Fund's Crediting Rate is determined
<i>Administration fee</i>	If you are a Goldman Sachs Employee in the Accumulation Section or an Eligible Spouse Division Member because you are the spouse of a Goldman Sachs Employee operating costs ³ 0.14% of Fund assets. For all other members: Operating costs ³ 0.14% of Fund assets + \$360 p.a. and + 0.1% p.a (capped at \$300 p.a.) of relevant Fund assets	Deducted from Fund's assets and taken into account when the Fund's Crediting Rate is determined Deducted from Fund's assets and taken into account when the Fund's Crediting Rate is determined Pro rata amount deducted monthly from your Member Account Pro rata amount deducted monthly from your Member Account
<i>Buy-sell spread</i>	Nil	
<i>Switching fee</i>	Nil	
<i>Exit fee</i>	Nil	
<i>Advice fees⁴</i>	Nil	
<i>Other fees and costs⁵</i>	Withdrawal fee of \$180 for a benefit payment because of a withdrawal request or final pension payment. Additional fees may apply	Deducted from your member account for withdrawals under the portability regulations or any other partial withdrawal, including a contribution splitting amount which is transferred from the Fund.
<i>Indirect cost ratio</i>	Nil	

1. The investment fees (including any performance related fees) are estimated based on information for the financial year ended 30 June 2017. Actual amounts may vary.

2. Refer to section 10.3(b) of the Features of the Goldman Sachs & JBWere Superannuation Fund booklet for further details about performance related fees.

3. The operating costs are estimated based on information for the financial year ended 30 June 2017. Actual amounts may vary.

4. The Fund charges no advice fees, including those relating to all members investing in a particular MySuper product or investment option.

5. Refer to section 10.3 of the Features of the Goldman Sachs & JBWere Superannuation Fund booklet for additional explanation in the section 'Fees and other Costs' for further details.

5. Administration and Financials continued

Family law fees

Type of fee or cost	Amount	How and when paid
Application for information (i.e. benefit valuation) in the format specified under the Family Law Act 1975	\$250 (\$150 for additional requests)	Not paid out of the Fund. Charged by the Fund's administrator and payable by the person making request at time the request is made.
Splitting a benefit	\$250	Shared equally by both parties and will be deducted from each party's benefit at the time the benefit is split unless all of the benefit is going to the non-member spouse (in which case the non-member spouse pays the entire fee).
Flagging a benefit (or lifting a payment flag)	\$100	As for splitting a benefit.

For more information about family law and how it may affect your super benefit, contact the Fund Secretary.

Contribution splitting fees

\$180 if the split amount is transferred out of the Fund. There is no fee charged to the member if the split amount is transferred to an account for your spouse in the Fund.

Performance Related fees

The Investment fee set out above may include performance related fees. The figure of 0.04% given in the table in section 10.2 above is an estimated performance related fee ('PRF'), assuming a 1% out-performance by the investment manager. There is the potential for PRFs to be charged within the 'Alternative' asset class allocation in addition to the other Management costs. Investment managers that charge a PRF only apply those fees when performance is greater than an agreed target. Accordingly, PRFs only arise when higher returns, relative to a specified target for a particular manager, are achieved. The extent of any PRF cannot be determined in advance. This will change according to the amount of out-performance achieved by the investment manager and the weighting of that investment manager. There is generally a high watermark associated with each PRF. A high watermark means that if the manager loses money over one time period they have to get back to the previous level before getting a PRF on new gains.

Transactional and operational costs

Transactional and operational costs (T&O costs) include costs such as brokerage, clearing costs and stamp duty associated with trading to implement the Fund's investment strategy. Members incur no direct T&O costs when making contributions, withdrawals or switches (although there is a partial withdrawal fee) However, when the Trustee purchases or sells Fund assets, there are T&O costs incurred on the purchase or sale of the underlying assets. These T&O costs are deducted before the Fund's Crediting Rate is determined. Because these costs are taken into account before determining the Fund's Crediting Rate, Member Account balances are net of T&O costs.

GST

All fee calculations are inclusive of GST. Reduced input tax credits have been incorporated into the Operating costs.

Fee changes

All fees are current and may be revised or adjusted by the Trustee from time to time without member consent. The Trustee may also introduce new fees. If there is a significant increase in fees, the Trustee must notify members 30 days in advance of the change.

The withdrawal fee and the family law fees set out above can be indexed annually each 1 January to AWOTE.

An administration fee applies for JBWere and Retained Benefit members (i.e. those members who are no longer employees of a participating employer) of \$360 p.a. plus 0.1% of Fund balance. This fee is reviewed annually. Note that NAB Limited contributes for JBWere members at a higher rate than Superannuation Guarantee (currently 9.5% p.a.) for its members to subsidise the administration fees. Goldman Sachs continues to fully subsidise these fees for its members.

5. Administration and Financials continued

Example of annual fees and costs

This table gives an example of how the fees and costs in the Fund for this product can affect your superannuation investment over a 1 year period if you are not a Retained Benefit Member. You should use this table to compare this product with other superannuation products.

Example – MySuper product and Eligible Spouse Division		Balance of \$50,000
Investment fees	0.54%	For every \$50 000 you have in the MySuper product you will be charged \$270 each year
Plus Administration fees	0.14% of Fund assets	And, you will be charged \$70 in operating costs if you are a Goldman Sachs Employee in the Accumulation Section or an Eligible Spouse Division Member because you are the spouse of a Goldman Sachs Employee.
	0.14% of Fund assets + \$360 p.a. + 0.1% p.a. (capped at \$300 p.a.)	For all other members: <ul style="list-style-type: none"> ◆ You will be charged \$70 in operating costs, and ◆ you will be charged \$360 p.a., pro rata deducted monthly, in administration fees regardless of your balance, and ◆ if your balance was \$50,000, then for that year you will be charged \$50 in administration fees.
Equals Cost of product <i>Note: Additional fees may apply*</i>		If your balance was \$50,000, then for that year you will be charged \$340 if you are a Goldman Sachs Employee in the Accumulation Section or an Eligible Spouse Division Member because you are the spouse of a Goldman Sachs Employee.

*Additional fees may apply for withdrawals under the portability regulations, contribution splits which are transferred from the Fund and family law fees. Refer to the Features of the Goldman Sachs & JBWere Superannuation Fund booklet on the Fund's website (www.gsjbw.superfacts.com) for additional explanation in the section 'Fees and Costs'.

Tax and insurance costs

Tax and insurance costs are set out in the Product Disclosure Statement (PDS) and its related Incorporation by Reference Documents (IBR): Features of the Fund and the Insurance Guide. The cost of insurance premiums is also passed on to members by deduction from their accounts. Accumulation members should refer, if applicable, to the Fund's PDS for more details.

Tax deductions

The deductibility effect of the payment of expenses from the Fund is passed on to members through adjustments to the Fund's Crediting Rate.

High Income Earner's Tax

For people with incomes (as defined for this tax) and 'low tax contributions'* equaling \$300,000 or more, an additional 15 per cent tax is payable on some or all concessional superannuation contributions. This is known as the Division 293 tax. From 1 July 2017, this income threshold will be lowered to \$250,000. The Australian Taxation Office (ATO) will assess liability for the tax after the end of each tax year, based on your personal tax return and information provided by your super fund(s).

The following components are generally considered by the ATO to calculate your income for the purpose of this tax, which is tested against the \$300,000 threshold:

- Your taxable income
- Your reportable fringe benefits
- Your total net investment loss (for example, this offsets the impact of negative gearing)
- The amount on which family distribution tax has been paid (if applicable)
- Super lump sum taxed elements with a zero tax rate.

Low tax contributions are essentially concessional superannuation contributions.

If you receive an assessment for Division 293 tax which relates to your Accumulation Benefits you could choose to pay this tax yourself, or request the Fund to pay this from your super account. If you request the Fund to pay the Division 293 tax to the ATO (or to yourself where this is possible), the Fund will apply a withdrawal fee of \$180 to your Member Account.

5. Administration and Financials continued

Surcharge Tax

If the Fund is required to pay surcharge tax in respect of you, the tax payable is deducted from your benefit in the Fund. If you roll over benefit into the Fund from another super fund or from your employer, any liability to pay the surcharge tax for contributions to that fund that has not been paid or in respect of the employer payment may be transferred to the Fund. If we receive a surcharge assessment after you have left the Fund, we will return it for payment to the ATO. The ATO will either forward it to the fund to which your benefit was paid or to you if your benefit was paid directly to you.

Financial summary

This is a summary of the Fund's audited accounts for the year ended 30 June 2017. You can request a copy of the audited accounts and auditor's report from the Fund Secretary.

Statement of Changes in Net Assets for year ended 30 June 2017

	2017 (\$)	2016 (\$)
Net assets available to pay benefit at the start of the Year		401,799,320
Investment revenue		
Interest	440,535	609,484
Dividends	8,131,170	7,895,271
Distributions	7,256,523	12,498,669
Changes in net market value of investments	24,731,284	1,215,033
Contribution Revenue		
Employer Contributions	9,828,845	10,899,079
Member Contributions	7,352,137	3,242,282
Transfers from other funds	5,600,388	4,813,011
Other revenue		
Proceeds from insurance policies	2,421,527	1,517,926
Sundry revenue	-	-
TOTAL REVENUE	65,762,409	42,690,755
Expenses		
Premiums on insurance policies	(1,310,861)	(1,287,860)
Superannuation contributions surcharge	-	-
Other general expenses	(1,654,554)	(1,645,892)
Benefits paid	(25,547,813)	(19,685,432)
TOTAL EXPENSES	(28,504,228)	(22,619,184)
Changes in net assets before income tax		20,071,571
Income Tax expense	2,783,790	1,381,834
Total Revenue Less Expenses After Income Tax	37,258,181	18,689,737
Net assets available to pay benefits at end of year	456,202,908	420,489,057

5. Administration and Financials continued

Statement of Net Assets as at 30 June 2017

	2017 (\$)	2016 (\$)
Investments		
Cash deposits	7,236,498	7,436,902
Australian Equities	230,500,810	234,815,153
Overseas Investments	116,534,023	103,015,313
Alternative Investments	29,907,588	25,429,082
Fixed Interest	81,429,572	56,912,395
Other Assets		
Interest receivable	115,727	107,495
Distributions receivable	5,445,126	6,759,826
Future Income Tax Benefit	31,693	33,988
Other debtors	26,504	32,266
Total Assets	471,237,200	434,511,620
Liabilities		
Other creditors	335,634	392,906
Current tax liabilities	1,066,168	1,325,373
Deferred tax liabilities	13,632,490	12,344,284
Benefit payable	-	-
Total Liabilities	15,034,292	14,062,563
Net Assets available to pay Benefits at end of Year	456,202,908	420,489,057

Are you getting the most out of your super?

The Trustee of the Fund wants to ensure that you maximize the advantages that superannuation and the Fund can offer you.

Voluntary Contributions

Making pre-tax contributions (concessional contributions) can be a tax effective method of increasing your retirement savings.

To maximise the benefits of superannuation you now need to consider whether you should be making voluntary contributions from an earlier age. The concessional contribution caps may affect members looking to make large amounts of contributions in the lead up to their retirement.

BPAY Facility

As a member of the Fund you are able to make voluntary contributions to your super account using BPAY. BPAY allows you to make a contribution by phone or from your internet banking account at a time convenient to you. BPAY is available 365 days a year.

You can find details about how to make a contribution via BPAY, including the Biller Code and your personal Reference Number, by signing in to your account at www.gsjbw.superfacts.com.

For assistance, call the Goldman Sachs & JBWere Superannuation Fund Helpline on 1800 025 026. If you would prefer to make a contribution via cheque, please continue to use the form available on our website. Contributions received via cheque may take up to three working days to process following receipt of the cheque and your completed form.

5. Administration and Financials continued

Insurance

Research has shown that Australians on average have less insurance than they require. The Fund provides all members with a default level of insurance. This level of insurance does not take into account your personal requirements and every member should review their own situation to see if they are adequately covered

Remember that there are different types of insurance for different life altering events and you should consider how you can ensure you have an adequate level of cover in case of death, total and permanent disablement or temporary disablement.

You may be eligible to obtain additional death, total and permanent disablement or Salary Continuance Insurance through the Fund.

New Insurance Arrangements

This year the Trustee reviewed the insurance arrangements for the Fund and re-appointed AIA Australia Ltd (AIA) as the Fund's insurer after negotiating a number of changes to the insurance benefit design. The changes involved the Trustee and AIA agreeing to amend the Fund's insurance policies issued by AIA. The amendments take effect from 1 December 2017 and apply to the two insurance policies issued by AIA to the Trustee, which are:

- the Group Life Insurance Policy, which provides cover in the event of the death or total and permanent disablement of qualifying Fund members; and
- the Salary Continuance Insurance Policy, which provides cover in the event of the temporary disablement of qualifying Fund members.

The changes to these policies are explained below.

Changes to Group Life Insurance Policy

Amount of insurance cover

There will be no change to the amount of death and total and permanent disablement insurance cover under the Group Life Insurance Policy for Fund members who joined before 1 December 2017, unless an election to change is made and accepted.

For members who join the Fund on and from 1 December 2017, a default level of death and total and permanent disablement insurance cover will be provided. The default cover will be:

18% x your 'Salary' (as defined in the policy) x 'Future Service' (as defined in the policy)*

Note: The option to elect the lower amount of 10% will no longer be available. However, you can still opt out at any time.

* This is essentially the complete years and months to age 65 measured from the most recent 1 July or the date of joining the Fund, whichever is later.

Changes to insurance premiums

New age and gender based insurance premiums will apply to all

members on and from 1 December 2017. The Trustee will write to members of the Fund to explain the changes to the premiums and provide copies of the new insurance premium rate tables which will apply from 1 December 2017. You can use the insurance premium table to check how your insurance premiums for death and total and permanent disablement cover will change from 1 December 2017.

Terminal illness

The Group Life Insurance Policy provides a benefit in the event that a member is terminally ill. Subject to other relevant requirements, a member is terminally ill if, among other things, two medical practitioners certify that the member is suffering from an illness or injury which is likely to result in the member's death within 12 months from the date of the certification. From 1 December 2017 the Group Life Insurance Policy will be amended so that the benefit is payable when two medical practitioners certify that the member is suffering from an illness or injury which is likely to result in the member's death within 24 months (rather than 12 months) from the date of the certification.

New option to increase default cover from \$50,000 to an amount calculated under new minimum insured benefit formula

If you are an active Fund member and your default minimum insured benefit under the current (pre-1 December 2017) insurance arrangements is \$50,000, on 1 December 2017 you will have the option to change your default minimum insured benefit to the benefit amount which is calculated in accordance with the standard benefit formula in the amended policy (up to the Automatic Acceptance Limit) without any underwriting requirements applying. This option must be exercised within 60 days of 1 December 2017.

Changes to Salary Continuance Insurance Policy

Amount of insurance cover

There will be no change to the amount of temporary disablement insurance cover under the Salary Continuance Insurance Policy for Fund members who joined before 1 December 2017, unless an election to change is made and accepted.

Subject to certain eligibility criteria specified in the policy, members who join the Fund on and from 1 December 2017 will receive a default level of temporary disablement cover of 75% of 'Salary' (as defined in the policy) for a 5 year benefit period (or to age 65 if that is earlier), subject to a 90 day waiting period. Other benefit periods available under the policy (other than the 5 year default period) are 2 years or 'to age 65'.

Under the new insurance arrangements the amount of temporary disablement insurance cover can be increased (subject to applicable underwriting requirements) or decreased, or you can opt out of cover entirely. Your benefit period can also be increased (subject to applicable underwriting requirements) or decreased (unless you are a Retained Benefits Member in which case your benefit period can only be decreased, not increased). In each case your premiums are adjusted accordingly.

5. Administration and Financials continued

Insurance cover will no longer continue automatically if you become a Retained Benefits Member only

Under the current (pre-1 December 2017) insurance arrangements, if you become a Retained Benefits Member, the temporary disablement insurance which applied to you immediately before either:

- ceasing employment; or
- making a choice of fund election and directing your employer to pay superannuation guarantee contributions to another superannuation fund,

automatically continues, provided certain qualifying conditions are met.

However, as part of the changes to the insurance arrangements on 1 December 2017, if you become a Retained Benefits Member upon ceasing employment or making a choice of fund election and directing your employer to pay superannuation guarantee contributions to another superannuation fund, your temporary disablement insurance cover will cease, unless you make an election for it to continue in the Retained Benefits section of the Fund.

Therefore, if you become a Retained Benefits Member after 1 December 2017 after ceasing employment or making a choice of fund election and directing your employer to pay your super to another fund, you should carefully consider your insurance arrangements and ensure you have an adequate level of cover either as a Retained Benefits Member (by making an election for your insurance to continue) or outside the Fund.

If you make an election for your temporary disablement insurance cover to continue in the Retained Benefits Section of the Fund, the amount you are insured for as a Retained Benefits Member and your benefit period are the same that applied immediately before you became a Retained Benefits Member (and you can make an election to increase the amount you are insured for, but not your benefit period).

Also, under the new insurance arrangements:

- for your cover to continue as a Retained Benefits Member on the same terms without any underwriting requirements applying, the election must be made within 60 days of the Trustee being notified that you have ceased employment or within 90 days of you ceasing employment (whichever is earlier); and
- if you become a Retained Benefits Member as a result of directing your employer to pay superannuation guarantee contributions to another superannuation fund, you may only elect to continue your temporary disablement insurance cover as a Retained Benefits Member if you satisfy the applicable underwriting requirements and do not have default cover in your other superannuation fund.

Changes to insurance premiums

New premiums for temporary disablement cover will apply to all members from 1 December 2017. The Trustee will write to members of the Fund in October to explain the changes to the premiums and provide copies of the new insurance premium rate tables which will apply from 1 December 2017. You can use the insurance premium table to check how your insurance premiums for temporary disablement cover will change from 1 December 2017.

Death Benefit Nominations

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. Unfortunately, approximately **40% of members have not made a binding nomination or non-binding beneficiary nomination.**

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).

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

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.

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.

5. Administration and Financials continued

Financial Advice Helpline

As members of the Fund you have access to limited personal financial advice. This service offers you limited personal Financial advice in relation to contribution strategies and insurance and is available through the Fund Helpline.

The Financial Advice Helpline consultant will have an understanding of the Fund and the various benefit associated with the Fund.

For further information on making voluntary contributions, applying for additional insurance, nominating a benefit or if you would like to speak to a Financial Advice Helpline consultant please call the Helpline on 1800 025 026.

Any limited personal advice is provided by the Fund Administrator, Mercer, as a corporate authorised representative of Mercer Superannuation (Australia) Limited ABN 79 004 717 533, AFSL No. 235906.

Pre-tax personal contributions – Retained and Spouse members

All Retained and Spouse members are able to make pre- tax personal contributions. You may be eligible to claim a deduction if the amount you earn as an employee is less than 10% of your combined assessable income, reportable fringe benefit and reportable superannuation contributions for the year and you meet age related conditions.

Personal super contributions you claim as a tax deduction are taxed at 15%. However, there are caps on the amount of contributions you can make at this concessional rate of 15%. There are also caps on non-concessional contributions.

Personal contributions for which you:

- Claim a deduction are concessional contributions.
- Don't claim a deduction are non-concessional contributions.

Note: If you claim a deduction for a personal contribution, you will not be eligible for a super co-contribution on the amount you claim.

From 1 July 2017, all individuals under the age of 75 will be able to claim a tax deduction for all pre-tax personal contributions up to the contributions cap (regardless of whether or not they earn less than 10% of their income from employment sources).

For further information on how to make personal concessional contributions please contact the Fund Helpline.

Rolling super between funds

If you are rolling your super between super funds, you need to supply the Fund's SPIN, or your member number, before the rollover can be completed. Your Fund's SPIN is BES0001AU.

Employer contributions

The money required to provide the benefits comes from the employer's contributions and investment earnings. The amount the employer provides depends on the Fund's investment performance and financial position.

An actuary advises on the level of employer contributions required to ensure there is enough money to pay members' benefits. The actuary projects likely benefit payouts, salary growth and investment returns to calculate the employer's contribution level.

At the last valuation as at 30 June 2016 the actuary advised that the Fund was in a satisfactory financial position. The employer contributed in line with the actuary's recommendations for the year to 30 June 2017 so that contributions payable for the year by your employer have been paid to the Fund. The next actuarial valuation of Fund will be completed as at 30 June 2019.

Amendments to the Trust Deed

There were no amendments made to the Trust Deed during the 2016-2017 year.

Super News

The Government announced a number of superannuation changes in the 2017 Federal Budget including:

- Introduction of the First Home Super Saver Scheme from 1 July 2017
- Encouragement for retirees to downsize their home by allowing them to make additional non-concessional super contributions from the proceeds of selling their home.
- Extension of the current tax relief for merging superannuation funds until 1 July 2020
- Creation of a new "one stop shop" external dispute resolution scheme for financial services consumer disputes
- Integrity measures relating to limited recourse borrowing arrangements and small business capital gains tax concessions

For details, and Mercer's response, see the [Mercer 2017 Federal Budget report](#) on the Fund's website (www.gsjbw.superfacts.com).

In his Budget-in-Reply speech, Opposition Leader Bill Shorten indicated that Labor will not support the First Home Super Saver Scheme, which he described as 'a poison pill for superannuation'.

IMPORTANT: At the time of preparing this Annual Report, the proposed superannuation changes in the 2017 Budget had not been legislated and they may be amended before being legislated. Some proposals may also be abandoned. Please contact the Helpline to obtain the current status of any proposals.

5. Administration and Financials continued

The following matters are now legislation.

Superannuation Guarantee

From 1 July 2017, the minimum employer superannuation contribution (Superannuation Guarantee) is maintained at 9.5% of Ordinary Time Earnings. As reported in the 2015 Annual Report, the Government has obtained Parliament's agreement to a six year deferral on any increases in the minimum employer superannuation contribution rate. A schedule to increase the rate to 10% from 1 July 2021 is however maintained in addition to further increases each subsequent 1 July until the rate reaches 12% in 2025. The envisaged increases are tabled below:

Income Year	New Rate %
2017/18	9.5
2018/19	9.5
2019/20	9.5
2020/21	9.5
2021/22	10
2022/23	10.5
2023/24	11
2024/25	11.5
2025/26	12

Concessional contributions limit for 2017-18

Under the 2016 Budget reforms, the concessional contributions cap reduces to \$25,000 for 2017/18 (down from \$35,000 for 2016/17 for those aged 49 years or over on 30 June 2016 and \$30,000 for others).

Non-concessional contributions limit for 2017-19

Under the 2016 Budget reforms, from 1 July 2017:

- the general non-concessional cap for an income year is 4 times the standard concessional contributions cap and therefore for the 2017-18 income year, the cap is **\$100,000**. This is reduced from the 2016/17 non-concessional cap of \$180,000, being 6 times the standard concessional contributions cap.
- 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 **\$300,000 in 2017/18**. Special rules apply to calculate a reduced remaining cap for anyone who initiated a bring-forward in 2015/16 or 2016/17 and has not used all of their pre-1 July 2017 bring forward limit of \$540,000 by 30 June 2017.
- however a **zero limit** applies for 2017/18 to individuals whose total super balance (including pension balances) at 30 June 2017 was \$1.6 million or more.

CGT Cap amount

The CGT cap amount for 2017-18 is \$1,445,000 (up from \$1,415,000).

Super co-contribution

The maximum co-contribution of \$500 will apply to people with income up to \$36,813 in 2017/18 (up from \$36,021). The matching rate is 50 cents for each \$1 contribution. The maximum co-contribution amount will phase out for incomes up to \$51,813 (up from \$51,021).

Also note that additional eligibility requirements applicable from 1 July 2017 require that the recipient must have:

- a Total Superannuation Balance of less than \$1.6m on 30 June of the year before the year the contributions are being made
- not exceeded their non-concessional contributions cap in the relevant financial year.

SG Maximum Contribution Base

The SG Maximum Contribution Base in 2017-18 is \$52,760 (up from \$51,620) per quarter (equivalent to \$211,040 per year).

What else is changing in super?

ASIC Regulatory Guide 97 -new fee and cost disclosure requirements

ASIC's updated Regulatory Guide 97 (RG97) specifies the requirements for disclosing fees and costs in product disclosure statements and periodic statements.

The main changes relate to ensuring the fees and costs of all investment funds/vehicles held directly or indirectly by the Fund are included in the disclosed fees and costs for a product.

Specifically, this will include the:

- Inclusion of any Over The Counter (OTC) derivative costs in the fees and costs calculations.
- Estimated transactional and operational costs, which were previously described in the PDS, will now be quantified and include explicit costs such as settlement costs and stamp duty, as well as an implicit cost for many asset types.

These new legal requirements for fees and costs disclosure have been introduced to make it easier for you to compare different super and investment products.

The definition of indirect costs has been expanded as a result of the changes. Importantly, there will be no impact on the amounts of fees and costs deducted from your investment, and no impact on investment performance.

These are simply changes in how funds are required to disclose existing fees and costs.

The Fund invests money into a number of underlying investments and the returns received from these investments are passed back to the super fund after the costs of the underlying investments have been deducted by the investment manager. These costs are known as

5. Administration and Financials continued

ASIC Regulatory Guide 97 -new fee and cost disclosure requirements (continued)

indirect costs and are not charged by, or paid to, the trustee of the super fund.

RG97 changes the way that these indirect costs must be calculated and disclosed. Generally, these changes will mean the indirect cost ratio disclosed for your investment option will be higher.

You will note these changes will be reflected from 30 September 2017 on the Fund's online [Product Dashboard](#) on the Fund's website (**www.gsjbw.superfacts.com**).

The Fund will also update the Product Disclosure Statements (PDSs) for the Fund by 30 September 2017 to incorporate the new RG 97 Fees and Costs disclosure requirements, which includes changes to the fees and costs disclosure structure.

About the new disclosure requirements

Are there any changes to the fees or costs the Fund currently charges?

No, there are no new fees or costs, and no changes to the way fees and costs are charged. The only change is to the way existing fees and costs are disclosed.

You may notice an increase in the amount of fees and costs disclosed, however members will not pay any more and there will be no impact on the performance of the investment.

Transition-to-retirement pensions:

As recently communicated in the Fund's Newsletter, from 1 July 2017 legislative changes resulted in the removal of the tax exemption on earnings from assets supporting Transition to Retirement (TTR) Income Streams and also removed the ability for individuals to treat superannuation income stream payments as lump sums for tax purposes.

Accordingly, investment earnings on TTR pensions are taxed at 15% from 1 July 2017 unless the member has met a prescribed condition of release (previously a tax exemption was available on the investment earnings on all pension assets).

As these changes result in the removal of key benefits of the TTR Pension, the Fund saw no benefit in maintaining the offering to members.

The Fund has communicated with those members impacted by these changes and provided support to help transition the member's funds into to a different product.

You don't need to take any action as a result of both of these changes.

If you have questions or require further information, please contact the Fund Helpline on 1800 025 026.

6. Like to know more?

As Accumulation and Pension members you should already have a Product Disclosure Statement containing information about your benefit and rules governing the Fund. You also receive annual Member Statements containing important personal information about your benefit in the Fund.

Other documents relating to the Fund that are available for you to look at are:

- the Trust Deed
- Trustee director information
- the Constitution
- details of how the member-representative Directors of the Trustee are elected and how they can be removed
- record of board attendance
- the investment policy statement
- proxy voting policy and a summary of proxy votes
- the latest audited accounts and auditor's report
- the latest actuary's report
- the enquiries and complaints procedure
- the privacy policy
- MySuper dashboard
- summary of significant events

If you have a question about your benefit in the Fund, please contact the Fund Helpline on 1800 025 026. Please note that the Trustee, its Directors, the Fund Secretary and the Fund Helpline are not able to give any personal advice relating to your own circumstances. Please see page 20 for details of the Fund's Financial Advice Helpline which can provide limited personal advice.

What to do if you leave

If you are about to leave work and take your super, make sure you respond promptly to letters from the Trustee about your benefit payment. If you have reached age 65, and have not told the Fund how and where to pay your benefit, your benefit it may be considered to be unclaimed money. It will then be transferred to the ATO. You will then need to contact the ATO to find out how to claim your benefit

For members leaving aged 64 or younger, the Trustee has a broad power to transfer a member's benefit to another fund called an Eligible Rollover Fund (ERF). Upon transfer to the ERF, you or your dependants will no longer have any entitlements under the Fund.

The Trustee will transfer your benefit to the ERF after ceasing employment if either of the following two conditions occurs:

- You have less than \$10,000 in your account, and you fail to advise a complying fund you wish to transfer your benefit to, or
- If we have written to you twice and both times mail has been returned unopened.

ERFs are designed as holding funds. As a result, the rate of return in the ERF may be lower than in another superannuation fund. You should seek professional financial advice about the best place to roll over your benefit when you leave service.

The Fund's nominated ERF is **AUSfund**, Australia's Unclaimed Super Fund.

Set out below is a summary of the more significant features of AUSfund, current as at July 2017:

- AUSfund does not offer insurance benefit in the event of death or disability.
- AUSfund charges an administration cost of \$14 per year or part-year. Investment and management costs are not deducted directly from a member's or product holder's account.
- AUSfund does not charge entry or exit fees.
- AUSfund does not accept contributions from employers or members, but can accept transfers from other regulated super funds.
- AUSfund has one diversified investment strategy and therefore does not provide investment choice. Rates of return are not guaranteed and investment returns provided to AUSfund members will be dependent on the performance of the underlying investment managers.

Should you wish to know more about AUSfund, please call the Administration Manager on 1300 361 798, by writing to PO Box 543, Carlton South VIC 3053, by sending an email to admin@ausfund.net.au or visiting their website at www.unclaimedsuper.com.au.

6. Like to know more?

Continuing your insurance

Retained Benefits members

If you become a Retained Benefits member, the amount of death and total and permanent disablement (TPD) insurance which applied to you immediately before leaving employment with Goldman Sachs or NAB (or exercising choice of fund) will automatically continue subject to certain conditions, including:

- you are aged under 60;
- you have not received, or are not in the process of receiving, a TPD benefit
- you pay the required premiums (automatically deducted from your superannuation account); and
- if you have exercised choice of fund, you are not provided with default insurance cover under your other superannuation fund.

In addition, if you are a Retained Benefit member, you may continue your salary continuance insurance (SCI) cover you held through the Fund immediately prior to your transfer to the Retained Benefit Division, without the need to provide health evidence, subject to certain restrictions and conditions, including:

- you are a citizen or permanent resident of Australia;
- you are aged under 60;
- you leave Goldman Sachs or NAB (other than as a result of injury, sickness or disease) and **commence permanent employment elsewhere within 60 days** of leaving your employer for at least 15 hours per week or you make a choice of fund election and direct your employer to make superannuation guarantee contributions to another superannuation fund of your choice and you have not been provided with default insurance cover under the other superannuation fund.

Your previous cover will then be continued so that you will be covered on the same terms and conditions as the cover applicable to you immediately prior to ceasing employment (inclusive of any special underwriting terms and subject to a ninety day waiting period and the maximum benefit period that applied immediately before ceasing employment with an employer or making your choice of fund election).

If you are an eligible spouse member, you may apply for cover for a SCI Benefit. However, this cover will be subject to being underwritten by the insurer on the basis of medical and other evidence as requested by the insurer.

Refer to the Insurance Guide dated 1 October 2015 and the Insurance Policy for further information or please contact the Helpline.

Continuation option on leaving the Fund

If you are aged under 60 and leave employment with Goldman Sachs or NAB other than as a result of Injury or Sickness to follow other acceptable permanent employment of at least 15 hours per week and you **do not** become a Retained Benefit member (ie, you choose to take your benefit from the Fund) you may apply directly to the Insurer for a continuation of your existing death, TPD and SCI cover under a personal insurance policy. Any personal insurance policy will be subject to the terms, conditions and premiums as determined by the Insurer.

Cover will be provided, without the need to provide health evidence, subject to the following restrictions and conditions:

- where the premium of the policy selected is subject to variation based on your smoking habits, you **must** complete such declaration as the Insurer may determine;
- you **must** apply for a personal insurance policy within 60 days from the date you leave Goldman Sachs or NAB.

The amount of cover under the personal policy will be for an amount not exceeding the amount covered immediately before your cover under the Fund's Insurance Policy ceased and will be on the terms and at the premium advised by the Insurer.

Spouse members who have insurance cover also have a continuation option subject to policy conditions.

Cover while overseas

Subject to the Policy and the conditions explained in this section, you are generally covered for death and TPD 24 hours a day and may travel in any part of the world for up to 5 years without having to provide details to the Insurer.

Where you reside overseas for longer than 5 years, full details of your whereabouts **must** be provided to the Insurer and continued cover will be **subject to acceptance by the Insurer**.

Cover can only be maintained subject to the continuing payment of premiums whilst overseas.

If you make a TPD claim, the Insurer may require you to return to Australia, at your own expense, for medical treatment or assessment.

Please contact the Helpline if you need more information about these continuation options.

6. Like to know more?

Your Fund Secretary

Brent Tulk Fund
Secretary
Goldman Sachs & JBWere Superannuation Fund c/o
Mercer
GPO Box 9946
Melbourne VIC 3001
Phone: 1800 025 026
Fax: (03) 8640 0800

If you have a problem...

Most queries can be sorted out over the phone, but if we are unable to help you immediately, you may be asked to put your question in writing and we will reply within 28 days.

If you are not satisfied with the response, you should write to the Fund's Complaints Officer, who will pass your complaint to the Trustee. You can expect a decision within 90 days.

The contact details for the Fund's Complaints Officer are:

Complaints Officer
Goldman Sachs & JBWere Superannuation Fund
C/o Mercer
GPO Box 9946
Melbourne VIC 3001
Phone: 1800 025 026
Fax: (03) 8640 0800

The Trustee always seeks to resolve complaints to the satisfaction of all concerned and in the best interests of all members of the Fund. However, if you have followed the steps outlined above and are not satisfied with the outcome within 90 days, you may be able to take the matter to the Superannuation Complaints Tribunal (SCT). The SCT is an independent body that aims to resolve certain types of superannuation disputes.

Some complaints must be lodged with the SCT within certain time limits. For more information about requirements and time limits, you can call the SCT on 1300 884 114.

If the SCT accepts your complaint, it will try and help you and the Trustee reach a mutual agreement through conciliation. If conciliation is unsuccessful, the complaint is referred to the SCT for a determination that is binding.

Protecting your privacy

The Trustee holds personal information about you, such as your name, address, date of birth, salary and tax file number, in order to provide your super benefit and to comply with regulatory requirements. This personal information may be disclosed as necessary to the Fund's administrator and professional advisors, insurers, Government bodies, employers, and other parties.

The Fund has a privacy policy that sets out in more detail the way your personal information is handled. If you would like a copy of the Fund's privacy policy, please contact the Fund Secretary (see contact details above) or visit the Fund's website at:

<https://secure.superfacts.com/public/gsandjbwere/Privacy.tpz>.

Disclaimer

This annual report has been prepared by the Trustee to meet its legislative obligations under the Corporations Act 2001. The information contained in this annual report does not take account of the specific needs, or personal or financial circumstances of any persons. Readers should obtain specialist advice from a licensed financial advisor before making any changes to their own superannuation arrangements or investments. Accumulation and Pension members should also read carefully the relevant Fund Product Disclosure Statement.

The terms of your membership in the Fund are set out in the Fund's Trust Deed and, should there be any inconsistency between this annual report and the Fund's Trust Deed, the terms of the Fund's Trust Deed prevail. While all due care has been taken in the preparation of this report, the Trustee reserves its right to correct any errors and omissions.

All statements of law or matters affecting superannuation policy are up-to-date as at 30 June 2017, unless otherwise stated.

This document contains general information about investments and investment performance. Please remember that past performance is not necessarily a guide to future performance.

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