



Annual Report
2014–15

Sunsuper for life Corporate
Sunsuper for life



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Welcome to the Sunsuper 2014–15 Annual report.

The Board is pleased to present
the Sunsuper Annual report for the
financial year ended 30 June, 2015.



Caption: Michael Traill, Elizabeth Hallett, Rob Hutchinson, Ben Swan, Andrew Fraser, John Battams, Jenni Mack, Paul Lahiff

Board report

The 2014-15 financial year has been an exciting period for Sunsuper. Not only did we cement our position as one of the fastest growing funds in the country, but we are delighted to report that we won Conexus Financial's Fund of the year - Member Engagement, and the National Service Excellence in a Contact Centre (under 100 employees) awards. Plus, for the third year in a row, we were awarded "Best Fund: Member Services" at Chant West's Super Fund Awards - an accomplishment that no other super fund in the country can claim.

As a profit-for-members fund, our customers' best interests sit at the core of everything we do and we are thrilled to be recognised for our commitment to exceptional service. Our members can feel confident that from the very first day of work, right throughout their lives, Sunsuper is at the forefront of the industry in its efforts to help make their retirement as financially comfortable as possible.

In fact, during the year, we restructured our customer service division to better accommodate our members' needs. The new structure was born out of research findings that showed that our members had distinct needs at different stages of their lives which could not be accommodated by a "one size fits all" service model. The new structure allows us to manage our customers' needs more efficiently and effectively, and provide them with access to tailored products and services through the communication channels that suit them best.

We also launched our new National Advice Panel in January which will give members greater access to a network of highly qualified financial planners across the country. We know that members who receive financial advice have better financial outcomes in retirement. The launch of the program complements the in-house financial advice service already offered by Sunsuper and gives members greater access to top quality financial advice, no matter their location or individual needs.

During the year, we took advantage of several investment opportunities - both here and abroad - on behalf of our members. This involved both purchases and sales, as we readjusted the portfolio. For example, we added to our holding in the Czech Gas Distribution network while we also created and then took advantage of an opportunity to sell a portion of our exposure to Melbourne airport at a substantial premium to its valuation. In addition, we placed a great deal of focus on the value that we are expecting to extract for the investment fees that we pay on behalf of our members. As a result we restructured the listed share portfolios to include a greater exposure to passive management, at much lower fees.

We are also pleased to report that our bellwether Balanced option outperformed the industry median over 1,3,5,7 and 10 years*.

Another significant announcement we made this year was the launch of a new strategic alliance with one of the world's largest and most respected investment management companies, the Vanguard Group. The alliance, which was announced in March, will see Sunsuper and Vanguard share expertise and resources for the ultimate benefit of members. We look forward to working with the Vanguard team to deliver world-class benefits to our customers across a broad range of functions, including member services, product development and investments.

In relation to Sunsuper in the community, our "Dreams for a better world" philanthropic initiative also continued to be a priority throughout the year. Since its inception in 2010, we have helped more than 63 charities, not-for-profit groups and individuals make their dreams for a better world come true and it's a program of which we are especially proud.

Finally, the Board would like to take this opportunity to thank Chief Executive Officer, Scott Hartley, his executive management team, and all the staff of Sunsuper for their outstanding performance during the year.



A message from the chief executive officer, Scott Hartley

This year we farewelled our highly respected board members Graham Heilbronn and Ron Monaghan. Graham and Ron have retired after serving Sunsuper for 15 years between them and we sincerely thank them for all their hard work during their time with the board. This year also saw the retirement of our long-standing chief investment officer, David Hartley. We wish them all the very best for the future.

Pleasingly though, we were able to welcome four of the nation's most experienced community and business leaders, Paul Lahiff, Jenni Mack, Michael Traill and Andrew Fraser to our board of directors. Paul, an appointment of our shareholder body, Chamber of Commerce and Industry Queensland, replaces Graham Heilbronn. Jenni, Michael and Andrew are the first directors in the company's history that are not direct appointments of the organisation's shareholder bodies, having been unanimously selected to their roles by all of the board's members. We are delighted to have them on the team. A replacement for Ron Monaghan will be announced later in the year.

As mentioned in the Board's report, we remain committed to providing a high level of service to our customers and helping them achieve the retirement they have always dreamed of, and it is this goal that will set the foundation for our key organisational priorities over the next 12 months.

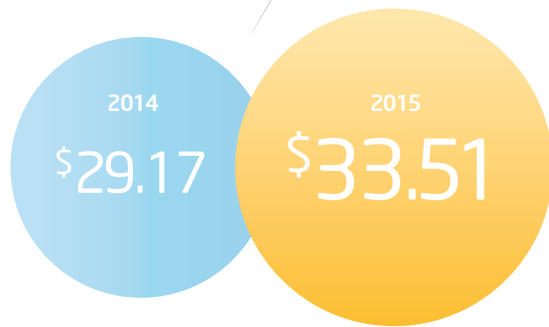
These include continuing to grow the business on a national scale and competing successfully in the corporate super market. This is important because having a strong, growing business means we can enhance our products and services for customers, while at the same time keeping costs down and fees low. We will also focus on reinvesting our substantial capital resources in new technologies so we can meet the rapidly changing service expectations of our members and further reduce fees. And, last but not least, we will maintain our focus on building our people capability in order to not only retain our position as one of the nation's leading high performance organisations, but continue along the path to global best practice.

I would like to take this opportunity to thank all the staff, my executive team, and the Sunsuper board for all their support this year. I am privileged to be at the helm of a business that is consistently recognised as one of the leading organisations in its field. I look forward to continuing to grow the national profile of the brand and taking our award-winning customer service to new members right across the country. It's our highest priority to help make their retirement dreams a reality.

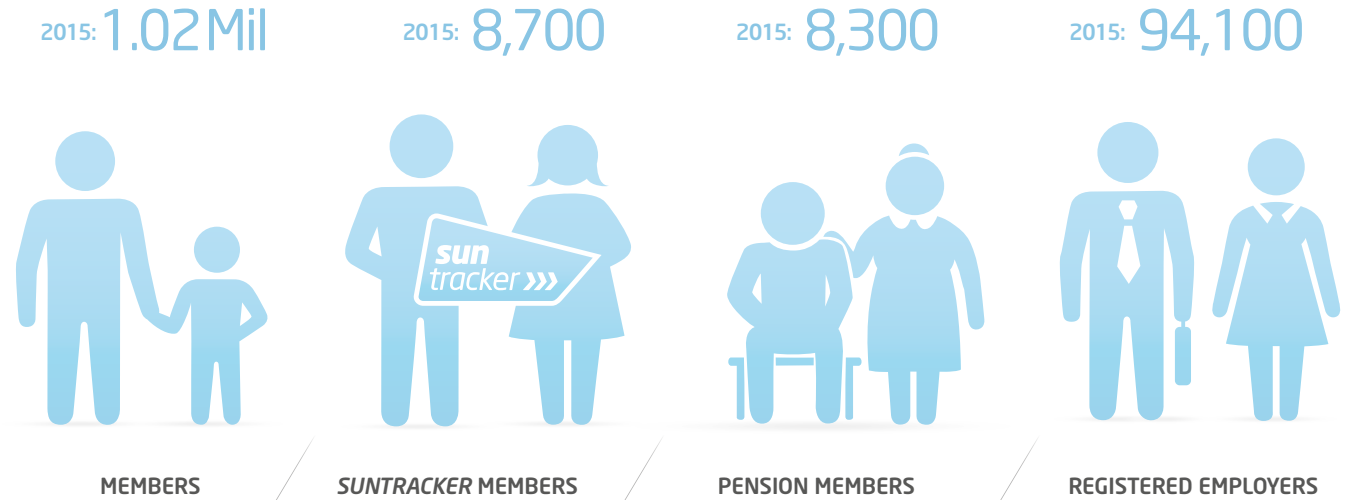
"Providing a high level of service to our customers and helping them achieve the retirement they have always dreamed of, is the goal that will set the foundation for our key organisational priorities over the next 12 months."

Key statistics

Funds Under Management (\$BILLION)



Member Statistics 2015



Milestones for 2015



Investment options

We recognise that choosing the right investment option or options can make a big difference to your retirement income and that choosing the right investment option or options depends on your personal circumstances and your retirement goals.

We offer a wide range of diversified and single asset class investment options. For more details, refer to the panels on pages 6 to 26.

Changes to investment options

During the year we made changes to the benchmark names for Conservative, Cash, Capital Guaranteed investment options and the Cash Pool for the Lifecycle Investment Strategy. We also made several changes to our investments effective 1 July 2015, including changes to risks, asset allocation, objectives, option names and management style. See page 33 for more information.

Unless otherwise noted, investment option information in this Annual report is that applicable from 1 July 2015.

Investment objectives and strategies

Sunsuper's overall investment objectives are to:

- maximise the real long-term investment returns (after investment tax and investment fees) subject to the expected risk profiles for each investment option,
- implement an investment manager configuration for each investment option which will in the long term outperform the benchmark return and peer groups,
- avoid exposing each investment option to inappropriate risk through diversification of investments and of managers, and
- maintain sufficient liquid assets so as to pay all benefit and expense obligations in full when due.

The investment objectives and asset allocation for each of the investment options are set out in the panels on pages 6 to 26.

About Sunsuper's investment options

Sunsuper offers 21 investment options. There are six diversified options, 13 single asset class options, and two special options, for members who are looking for something a bit different.

The investment options we offer are designed to cater for a wide range of investor needs, and include:

- active and index options,
- single-manager and multi-manager options, and
- hedged and unhedged options.

Refer to page 32 for further information.

Investment fees

Superannuation funds incur investment fees to cover the costs of investing and managing investments for their members. In line with our profit-for-members philosophy, Sunsuper does not profit from investment fees.

At Sunsuper we report the investment fees in two components; the base fee and the performance fee.

Actual for 2014-15

The investment option panels on pages 6 to 26 show the actual investment fees for each investment option for 2014-15.

Some investment managers outperformed their performance targets, resulting in a performance fee. Sunsuper believes paying fees for performance to its investment managers encourages sustained investment performance and avoids rewarding investment managers for underperformance. If an investment manager who has the potential to earn a fee for performance, underperforms their performance target, the investment manager needs to overcome their underperformance in future periods before another fee for performance can be earned.

For more information, please refer to the *Sunsuper for life Investment guide*.

Estimated for 2015-16

The investment option panels on pages 6 to 26 show the estimated investment fees for each investment option for 2015-16.

These are our best estimates based on recent experience and current long-term expectations for ongoing investment costs.

Performance fees are difficult to predict because the level of outperformance by the investment managers is difficult to predict. The actual performance cost may exceed our estimate if investment managers produce exceptional performance.

We monitor ongoing investment fees for each investment option and the investment fees deducted will not be more than the actual investment fees incurred. However, due to a number of factors including changes in the investment manager mix or investment manager fees, the actual investment fees may differ from our estimates. We will let you know the actual investment fees for the 2015-16 financial year at the end of the year.

Risks of Sunsuper's investment options

Sunsuper uses the Standard Risk Measure to describe the risk that applies to each of our investment options. Each option is assigned a risk band and a risk label based on the expected number of years of negative returns over any 20-year period, as outlined in the following table.

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

Refer to the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

Lifecycle Investment Strategy

	BALANCED POOL	RETIREMENT POOL	CASH POOL																																																																																																								
DESCRIPTION	<ul style="list-style-type: none"> Invests in a wide variety of asset classes to gain the benefits of diversification. Combination of active and index investment management. Invests in over 40 investment managers for diversification. Large allocation to Australian and international shares for exposure to economic growth. 	<ul style="list-style-type: none"> Invests in a wide variety of asset classes to gain the benefits of diversification. Combination of active and index investment management. Invests in over 40 investment managers for diversification. Employs option strategies from time to time to reduce the impact of share market falls. 	<ul style="list-style-type: none"> A portfolio of cash and cash equivalent investments. Active investment management. 																																																																																																								
Minimum suggested timeframe: 5 years.																																																																																																											
OBJECTIVES	<ul style="list-style-type: none"> Beat inflation by 4% p.a. over 10-year periods (after investment fees and costs and investment taxes). 	<ul style="list-style-type: none"> Beat inflation by 3.5% p.a. over 10-year periods (after investment fees and costs and investment taxes). 	<ul style="list-style-type: none"> Match or exceed the Bloomberg AusBond Bank Bill Index (before investment tax but after investment fees and costs). 																																																																																																								
RISKS ¹	<ul style="list-style-type: none"> Medium to high levels of volatility in the returns from year to year. <p>Standard Risk Measure</p> <ul style="list-style-type: none"> Expected number of years of negative returns over any 20-year period: 3 to less than 4. Risk label: Medium to high. Risk Band: 5. 	<ul style="list-style-type: none"> Medium levels of volatility in the returns from year to year. <p>Standard Risk Measure</p> <ul style="list-style-type: none"> Expected number of years of negative returns over any 20-year period: 2 to less than 3. Risk label: Medium. Risk Band: 4. 	<ul style="list-style-type: none"> Very low levels of volatility in the returns from year to year. <p>Standard Risk Measure</p> <ul style="list-style-type: none"> Expected number of years of negative returns over any 20-year period: less than 0.5. Risk label: Very low. Risk Band: 1. 																																																																																																								
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1. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.
2. The Balanced, Retirement and Cash Pools commenced on 4 October 2013. The three Pools have identical investments to the respective investment options being, the Balanced, Retirement and Cash options. To show our performance for each Pool we have shown the returns of the respective investment options (adjusted to reflect fee differences where applicable) up to 4 October 2013 with returns of each Pool from 4 October 2013.
3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and investment taxes but before administration fees.
4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

GROWTH

Growth

DESCRIPTION

This investment option is designed for members who want to generate wealth over the long term, but with less risk than an option invested solely in shares.

Minimum suggested timeframe:

- 7 years.
- Designed for long-term wealth accumulation, so you need patience.

Features

- Invests in a wide variety of asset classes to gain the benefits of diversification.
- Combination of active and index investment management.
- Invests in over 40 investment managers for diversification.
- Primarily invests in Australian and international shares and a range of unlisted growth assets for exposure to economic growth.

OBJECTIVES

- **Beat inflation over 10 years:** *Super-savings account* by 5% p.a. and *Income account* by 5.5% p.a. (after investment fees and costs and where applicable investment taxes).¹

RISKS²

- High levels of volatility in the returns from year to year.

Standard Risk Measure

- **Expected number of years of negative returns over any 20-year period:** 4 to less than 6.
- **Risk Label:** High.
- **Risk Band:** 6.

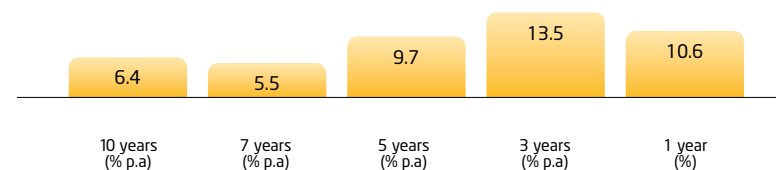
ASSET ALLOCATION

	ACTUAL % AS AT 30/06/14	ACTUAL % AS AT 30/06/15	STRATEGIC % AS AT 01/07/15	ALLOWABLE RANGE % AS AT 01/07/15
Australian shares	28.4	30.0	28.0	0-50
International shares	29.9	37.1	35.0	0-70
Private capital	11.3	10.0	10.0	0-20
Property	8.8	7.0	7.0	0-30
Diversified strategies	0.0	0.0	5.0	0-15
Infrastructure	4.7	7.0	7.0	0-20
Fixed interest	5.2	1.0	0.0	0-20
Hedge funds	11.0	7.0	7.0	0-20
Cash	0.7	0.9	1.0	0-20

INVESTMENT RETURNS³

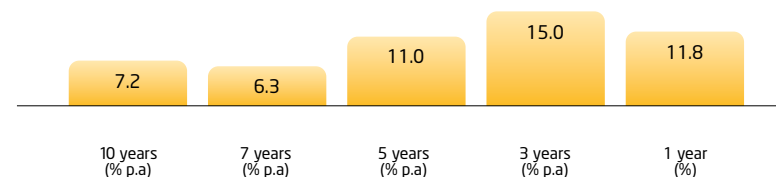
Super-savings accounts

to 30 June 2015



Income accounts

to 30 June 2015



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.44% p.a.
- **Performance:** 0.09% p.a.

Actual investment fees for 2014-15

- **Base:** 0.54% p.a.
- **Performance:** 0.21% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

BALANCED

Balanced

DESCRIPTION

This investment option is designed for members who want to generate wealth over the long term, while being sensitive to the relative performance of other large Australian superannuation funds.

Minimum suggested timeframe:

- 5 years.
- Designed for long-term wealth accumulation so you need patience.

Features

- Invests in a wide variety of asset classes to gain the benefits of diversification.
- Combination of active and index investment management.
- Invests in over 40 investment managers for diversification.
- Large allocation to Australian and international shares for exposure to economic growth.

OBJECTIVES

- **Beat inflation over 10 years:** *Super-savings account* by 4% p.a. and *Income account* by 4.5% p.a. (after investment fees and costs and where applicable investment taxes).¹

RISKS²

- Medium to high levels of volatility in the returns from year to year.

Standard Risk Measure

- **Expected number of years of negative returns over any 20-year period:** 3 to less than 4.
- **Risk Label:** Medium to high.
- **Risk Band:** 5.

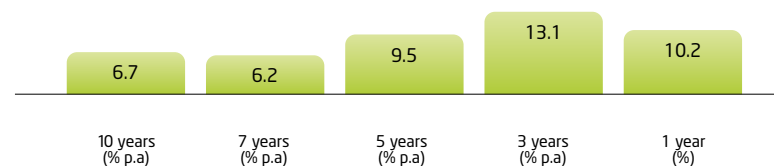
ASSET ALLOCATION

	ACTUAL % AS AT 30/06/14	ACTUAL % AS AT 30/06/15	STRATEGIC % AS AT 01/07/15	ALLOWABLE RANGE % AS AT 01/07/15
Australian shares	24.4	25.0	23.0	0-50
International shares	26.9	31.1	29.0	0-70
Private capital	7.7	6.0	6.0	0-15
Property	9.8	10.0	10.0	0-30
Diversified strategies	0.0	0.0	5.0	0-15
Infrastructure	6.8	7.0	7.0	0-20
Fixed interest	12.8	10.3	10.0	0-30
Hedge funds	7.5	6.5	6.0	0-25
Cash	4.1	4.1	4.0	0-25

INVESTMENT RETURNS³

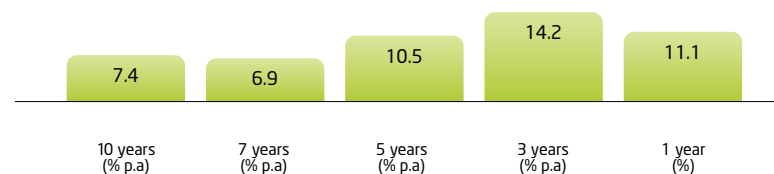
Super-savings accounts

to 30 June 2015



Income accounts

to 30 June 2015



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.42% p.a.
- **Performance:** 0.08% p.a.

Actual investment fees for 2014-15

- **Base:** 0.49% p.a.
- **Performance:** 0.18% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

RETIREMENT

Retirement

DESCRIPTION

This investment option is designed for members who are close to, or have reached retirement. It is structured to generate wealth over the medium to long term, while providing some reduction to the fluctuation of returns in the short-term.

Minimum suggested timeframe:

- 5 years.
- Designed for some medium-term wealth accumulation.

Features

- Invests in a wide variety of asset classes to gain the benefits of diversification.
- Combination of active and index investment management.
- Invests in over 40 investment managers for diversification.
- Employs option strategies from time to time to reduce the impact of share market falls.

OBJECTIVES

- **Beat inflation over 10 years:** *Super-savings account* by 3.5% p.a. and *Income account* by 4% p.a. (after investment fees and costs and where applicable investment taxes).¹

RISKS*

- Medium levels of volatility in the returns from year to year.

Standard Risk Measure

- **Expected number of years of negative returns over any 20-year period:** 2 to less than 3.
- **Risk Label:** Medium.
- **Risk Band:** 4.

ASSET ALLOCATION

	ACTUAL % AS AT 30/06/14	ACTUAL % AS AT 30/06/15	STRATEGIC % AS AT 01/07/15	ALLOWABLE RANGE % AS AT 01/07/15
Australian shares	18.2	22.4	20.0	0-50
International shares	18.1	20.5	19.0	0-55
Private capital	4.5	4.4	4.0	0-15
Property	8.6	9.0	9.0	0-30
Diversified strategies	0.0	0.0	5.0	0-15
Infrastructure	4.1	5.3	6.0	0-20
Fixed interest	29.9	26.4	25.0	0-50
Hedge funds	6.0	6.4	6.0	0-15
Cash	10.6	5.6	6.0	0-25

INVESTMENT RETURNS³

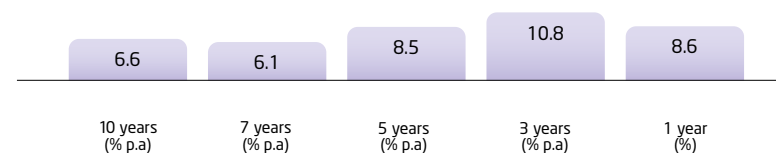
Super-savings accounts

to 30 June 2015



Income accounts

to 30 June 2015



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.39% p.a.
- **Performance:** 0.08% p.a.

Actual investment fees for 2014-15

- **Base:** 0.42% p.a.
- **Performance:** 0.15% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

CONSERVATIVE

Conservative

DESCRIPTION

This investment option is designed for members who seek less volatile returns for their super while maintaining some growth exposure. Using your money in the short term is likely to be your main purpose.

Minimum suggested timeframe

- 3 years.
- Designed for short-term wealth maintenance rather than long-term wealth accumulation.

Features

- Invests in a wide variety of asset classes to gain the benefits of diversification.
- Combination of active and index investment management.
- Invests in over 40 investment managers for diversification.
- Mainly invests in fixed interest and cash to reduce the volatility of returns.

OBJECTIVES

- Returns (after investment fees and costs and where applicable investment taxes)¹ of 1% p.a. above the Bloomberg AusBond Bank Bill Index after investment tax (where applicable) over periods of 2 to 5 years.

RISKS²

- Low to medium levels of volatility in the returns from year to year.

Standard Risk Measure

- **Expected number of years of negative returns over any 20-year period:** 1 to less than 2.
- **Risk Label:** Low to medium.
- **Risk Band:** 3.

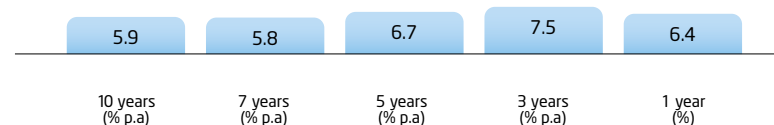
ASSET ALLOCATION

	ACTUAL % AS AT 30/06/14	ACTUAL % AS AT 30/06/15	STRATEGIC % AS AT 01/07/15	ALLOWABLE RANGE % AS AT 01/07/15
Australian shares	10.3	12.3	10.0	0-30
International shares	10.5	12.0	10.0	0-30
Private capital	0.0	0.0	0.0	0-5
Property	5.8	8.0	8.0	0-20
Diversified strategies	0.0	0.0	5.0	0-15
Infrastructure	3.1	4.2	5.0	0-20
Fixed interest	44.9	43.5	42.0	0-70
Hedge funds	6.0	8.3	10.0	0-15
Cash	19.4	11.7	10.0	0-100

INVESTMENT RETURNS³

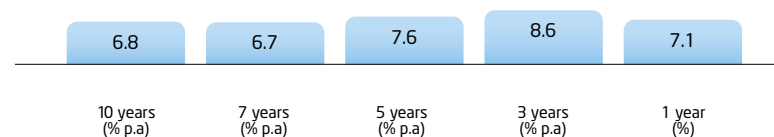
Super-savings accounts

to 30 June 2015



Income accounts

to 30 June 2015



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.38% p.a.
- **Performance:** 0.09% p.a.

Actual investment fees for 2014-15

- **Base:** 0.38% p.a.
- **Performance:** 0.14% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

BALANCED

Balanced-Index

DESCRIPTION

Investment in a mixture of assets, with an emphasis on Australian and international shares.

Designed for members who:

- Are seeking to accumulate wealth over the long term and who want exposure to a range of publicly traded assets invested in line with standard market indices.
- **Style:** Single-manager, index.
- **Currency:** Combination of hedged and unhedged.

Minimum suggested timeframe:

- 5 years.

OBJECTIVES

- Closely match the return of the performance benchmark, before investment tax,¹ and investment fees and costs.
- **Performance benchmark:** The strategic weighted return of the market indices for each asset class.

RISKS²

- High levels of volatility in the returns from year to year.
- Standard Risk Measure:**
- **Expected number of years of negative returns over any 20-year period:** 4 to less than 6.
 - **Risk Label:** High.
 - **Risk Band:** 6.

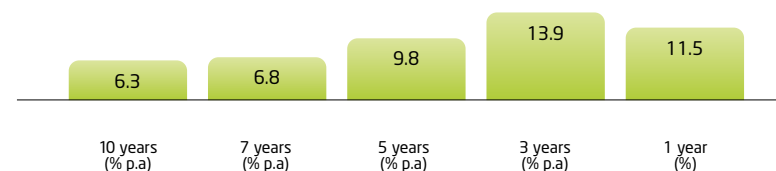
ASSET ALLOCATION

	ACTUAL % AS AT 30/06/14	ACTUAL % AS AT 30/06/15	STRATEGIC % AS AT 01/07/15	ALLOWABLE RANGE % AS AT 01/07/15
Australian shares	34.8	35.2	35.0	29-37
International shares	25.5	24.8	25.0	21-37
Property	10.0	10.0	10.0	4-14
Fixed interest	25.1	25.0	25.0	21-36
Cash	4.6	5.0	5.0	0-7

INVESTMENT RETURNS³

Super-savings accounts

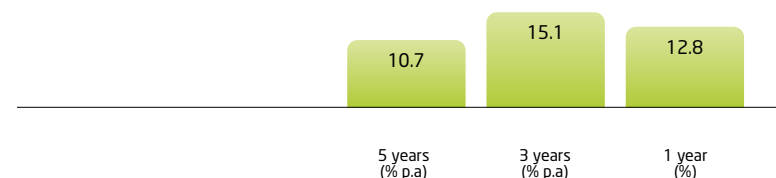
to 30 June 2015



Income accounts

to 30 June 2015

Since commencement: 10.7% p.a. (1 July 2010)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.16% p.a.
- **Performance:** n/a

Actual investment fees for 2014-15

- **Base:** 0.16% p.a.
- **Performance:** n/a
- **Buy/sell spread:** 0.15%/0.11%

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

SHARES

Shares

DESCRIPTION

Investment in a mixture of Australian and international shares.

Designed for members who:

- Are seeking to accumulate wealth over the long term and who can accept full exposure to the ups and downs of share markets.
- **Style:** Multi-manager, combination of active and index.
- **Currency:** Combination of hedged and unhedged.

Minimum suggested timeframe:

- 7 years.

OBJECTIVES

- **Beat inflation over 10 years:** *Super-savings account* by 5% p.a. (after investment fees and costs and investment taxes) and *Income account* by 5.5% p.a. (after investment fees and costs).¹

RISKS²

- High levels of volatility in the returns from year to year.

Standard Risk Measure:

- **Expected number of years of negative returns over any 20-year period:** 4 to less than 6.
- **Risk Label:** High.
- **Risk Band:** 6.

ASSET ALLOCATION

	ACTUAL % AS AT 30/06/14	ACTUAL % AS AT 30/06/15	STRATEGIC % AS AT 01/07/15	ALLOWABLE RANGE % AS AT 01/07/15
Australian shares	49.4	50.5	50.0	25-75
International shares	50.6	49.5	50.0	10-90
Fixed interest	0.0	0.0	0.0	0-30
Cash	0.0	0.0	0.0	0-20

INVESTMENT RETURNS³

Super-savings accounts

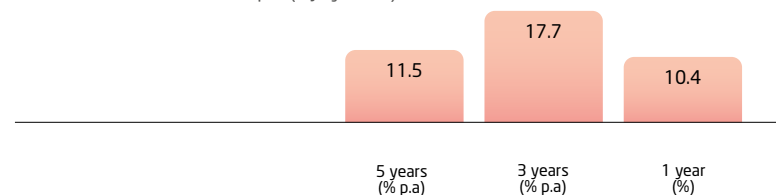
to 30 June 2015



Income accounts

to 30 June 2015

Since commencement: 11.5% p.a. (1 July 2010)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.30% p.a.
- **Performance:** 0.02% p.a.

Actual investment fees for 2014-15

- **Base:** 0.40% p.a.
 - **Performance:** 0.07% p.a.
- Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

SHARES

Australian Shares

DESCRIPTION

Investment in Australian shares.

Designed for members who:

- Are seeking to earn returns from investment in the Australian shares asset class with active management aiming to achieve better long-term returns than available in the standard market index for this sector.

- **Style:** Multi-manager, combination of active and index.

Minimum suggested timeframe:

- 7 years.

OBJECTIVES

- Beat the performance benchmark by 0.5-1% p.a. before investment tax¹ but after investment fees and costs over rolling 5-year periods.

- **Performance benchmark:** S&P/ASX 300 Accumulation Index.

RISKS²

- Very high levels of volatility in the returns from year to year.

Standard Risk Measure:

- **Expected number of years of negative returns over any 20-year period:** 6 or greater.
- **Risk Label:** Very high.
- **Risk Band:** 7.

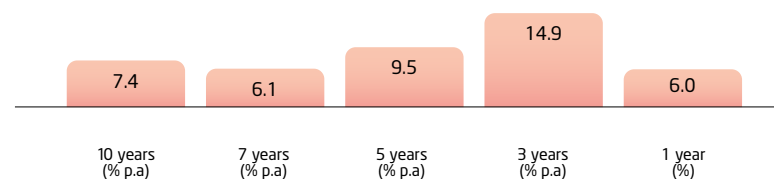
ASSET ALLOCATION

	STRATEGIC % AS AT 01/07/15
Australian shares	100

INVESTMENT RETURNS³

Super-savings accounts

to 30 June 2015



Income accounts

to 30 June 2015



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.25% p.a.
- **Performance:** 0.05% p.a.

Actual investment fees for 2014-15

- **Base:** 0.26% p.a.
- **Performance:** 0.08% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

SHARES

Australian Shares – Index

DESCRIPTION

Investment in Australian shares.

Designed for members who:

- Are seeking to earn returns from investment in the Australian shares asset class with passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector.

• **Style:** Single-manager, index.

Minimum suggested timeframe:

- 7 years.

OBJECTIVES

- Closely match the return of the performance benchmark, before investment tax,¹ and investment fees and costs.

- **Performance benchmark:** S&P/ASX 200 Accumulation Index.

RISKS²

- Very high levels of volatility in the returns from year to year.

Standard Risk Measure:

- **Expected number of years of negative returns over any 20-year period:** 6 or greater.
- **Risk Label:** Very high.
- **Risk Band:** 7.

ASSET ALLOCATION

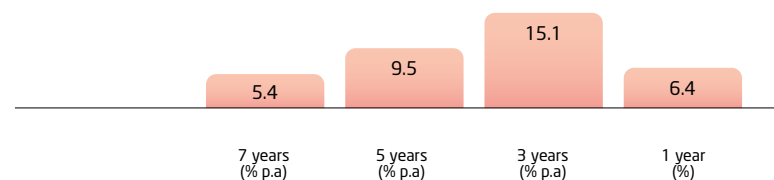
	STRATEGIC % AS AT 01/07/15
Australian shares	100

INVESTMENT RETURNS³

Super-savings accounts

to 30 June 2015

Since commencement: 5.9% p.a. (1 Jan 2006)



Income accounts

to 30 June 2015

Since commencement: 6.4% p.a. (25 Jan 2006)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.13% p.a.
- **Performance:** n/a

Actual investment fees for 2014-15

- **Base:** 0.15% p.a.
- **Performance:** n/a
- **Buy/sell spread:** 0.10%/0.10%

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

SHARES

International Shares (hedged)

DESCRIPTION

Investment in international shares.

Designed for members who:

- Are seeking to earn returns from investment in the international shares asset class with most currency exposure being hedged back to the Australian dollar and active management aiming to achieve better long-term returns than available in the standard market index for this sector.
- **Style:** Multi-manager, combination of active and index.
- **Currency:** Combination of hedged and unhedged.
- It may not be possible for this product to be 100% currency hedged at all times. Up to 25% of the overseas currency exposure may be unhedged at any point in time.

Minimum suggested timeframe:

- 7 years.

OBJECTIVES

- Beat the performance benchmark by 0.5-1% p.a. before investment tax¹ but after investment fees and costs over rolling 5-year periods.
- **Performance benchmark:** MSCI All Countries World Index IMI in \$A (hedged).

RISKS²

- High levels of volatility in the returns from year to year.

Standard Risk Measure:

- **Expected number of years of negative returns over any 20-year period:** 4 to less than 6.
- **Risk Label:** High.
- **Risk Band:** 6.

ASSET ALLOCATION

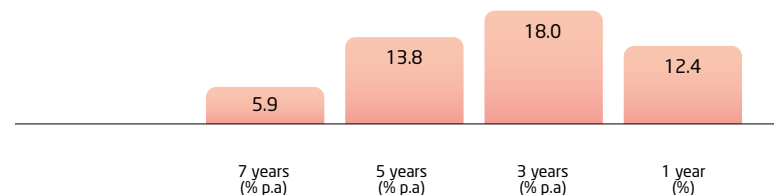
	STRATEGIC % AS AT 01/07/15
International shares	100

INVESTMENT RETURNS³

Super-savings accounts

to 30 June 2015

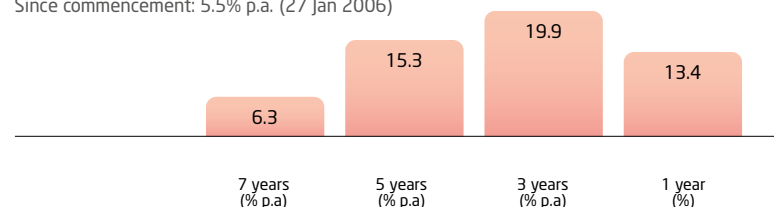
Since commencement: 5.0% p.a. (1 Jan 2006)



Income accounts

to 30 June 2015

Since commencement: 5.5% p.a. (27 Jan 2006)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.40% p.a.
- **Performance:** 0.05% p.a

Actual investment fees for 2014-15

- **Base:** 0.52% p.a.
- **Performance:** 0.05% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

SHARES

International Shares (unhedged)

DESCRIPTION

Investment in international shares.

Designed for members who:

- Are seeking to earn returns from investment in the international shares asset class with currency exposure unhedged and active management aiming to achieve better long-term returns than available in the standard market index for this sector.
- **Style:** Multi-manager, combination of active and index.
- **Currency:** Unhedged.
- **Minimum suggested timeframe:**
 - 7 years.

OBJECTIVES

- Beat the performance benchmark by 0.5-1% p.a. before investment tax¹ but after investment fees and costs over rolling 5-year periods.
- **Performance benchmark:** MSCI All Countries World Index IMI in \$A (unhedged).

RISKS²

- High levels of volatility in the returns from year to year.
- **Standard Risk Measure:**
 - **Expected number of years of negative returns over any 20-year period:** 4 to less than 6.
 - **Risk Label:** High.
 - **Risk Band:** 6.

ASSET ALLOCATION

	STRATEGIC % AS AT 01/07/15
International shares	100

INVESTMENT RETURNS³

Super-savings accounts

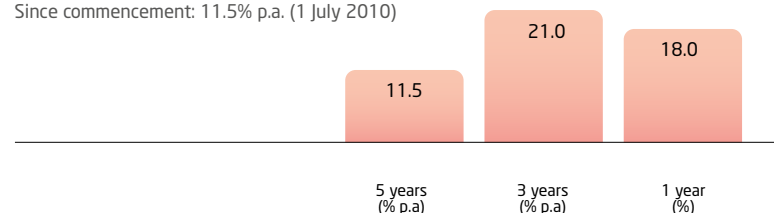
to 30 June 2015



Income accounts

to 30 June 2015

Since commencement: 11.5% p.a. (1 July 2010)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.40% p.a.
- **Performance:** 0.05% p.a.

Actual investment fees for 2014-15

- **Base:** 0.52% p.a.
- **Performance:** 0.07% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

SHARES

International Shares – Index (hedged)

DESCRIPTION	<p>Investment in international shares.</p> <p>Designed for members who:</p> <ul style="list-style-type: none"> • Are seeking to earn returns from investment in the international shares asset class with currency exposure being hedged back to the Australian dollar and passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector. • Style: Single-manager, index. • Currency: Hedged. <p>Minimum suggested timeframe:</p> <ul style="list-style-type: none"> • 7 years. 				
OBJECTIVES	<ul style="list-style-type: none"> • Investment objective: Closely match the performance benchmark, before investment tax¹ and investment fees and costs. • Performance benchmark: MSCI World Ex-Australia Investable Market Index (IMI) in \$A (hedged). 				
RISKS²	<ul style="list-style-type: none"> • Very high levels of volatility in the returns from year to year. <p>Standard Risk Measure:</p> <ul style="list-style-type: none"> • Expected number of years of negative returns over any 20-year period: 6 or greater. • Risk Label: Very high. • Risk Band: 7. 				
ASSET ALLOCATION	<table border="1"> <thead> <tr> <th></th> <th>STRATEGIC % AS AT 01/07/15</th> </tr> </thead> <tbody> <tr> <td>International shares</td> <td>100</td> </tr> </tbody> </table>		STRATEGIC % AS AT 01/07/15	International shares	100
	STRATEGIC % AS AT 01/07/15				
International shares	100				

INVESTMENT RETURNS³

Super-savings accounts

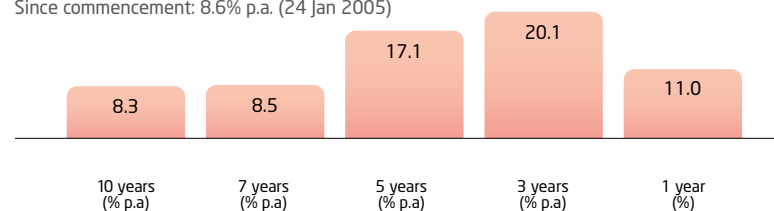
to 30 June 2015



Income accounts

to 30 June 2015

Since commencement: 8.6% p.a. (24 Jan 2005)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.20% p.a.
- **Performance:** n/a

Actual investment fees for 2014-15

- **Base:** 0.22% p.a.
 - **Performance:** n/a
- Buy/sell spread:** 0.31% / 0.26%

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

SHARES

International Shares – Index (unhedged)

DESCRIPTION

Investment in international shares.

Designed for members who:

- Are seeking to earn returns from investment in the international shares asset class with currency exposure unhedged and passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector.

- **Style:** Single-manager, index.

- **Currency:** Unhedged.

Minimum suggested timeframe:

- 7 years.

OBJECTIVES

- **Investment objective:** Closely match the performance benchmark, before investment tax¹ and investment fees and costs.

- **Performance benchmark:** MSCI World Ex-Australia Investable Market Index (IMI) in \$A (unhedged).

RISKS²

- High levels of volatility in the returns from year to year.

Standard Risk Measure:

- Expected number of years of negative returns over any 20-year period: 4 to less than 6.

- **Risk Label:** High.

- **Risk Band:** 6.

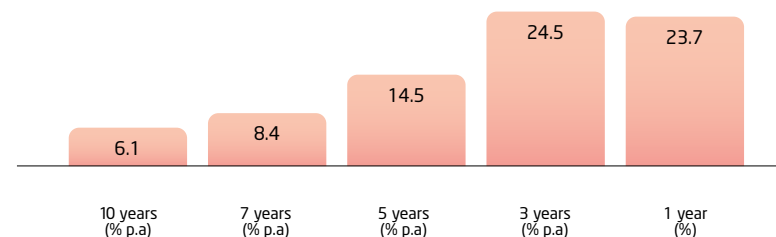
ASSET ALLOCATION

	STRATEGIC % AS AT 01/07/15
International shares	100

INVESTMENT RETURNS³

Super-savings accounts

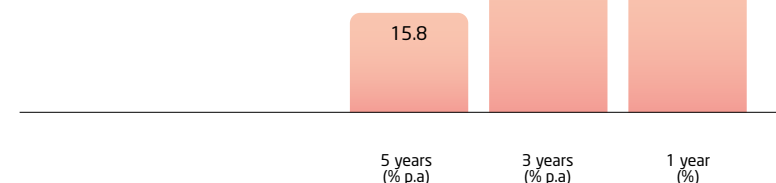
to 30 June 2015



Income accounts

to 30 June 2015

Since commencement: 15.8% p.a. (1 July 2010)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.20% p.a.
- **Performance:** n/a

Actual investment fees for 2014-15

- **Base:** 0.24% p.a.
- **Performance:** n/a
- **Buy/sell spread:** 0.30% / 0.25%

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

SHARES

Emerging Markets Shares

DESCRIPTION

Investment in international shares focusing on emerging markets.

Designed for members who:

- Are seeking to earn returns from investment in the emerging markets shares asset class with active management aiming to achieve better long-term returns than available in the standard market index for this sector.
- **Style:** Multi-manager, combination of active and index.
- **Currency:** In normal circumstances the option is unhedged to Australian dollars. Currency exposures are individually managed by the underlying managers.

Minimum suggested timeframe:

- 7 years.

OBJECTIVES

- Beat the performance benchmark by 0.5-1% p.a. before investment tax¹ but after investment fees and costs over rolling 5-year periods.
- **Performance benchmark:** MSCI Emerging Markets Investable Markets Index in \$A (unhedged).

RISKS²

- Very high levels of volatility in the returns from year to year.

Standard Risk Measure:

- **Expected number of years of negative returns over any 20-year period:** 6 or greater.
- **Risk Label:** Very high.
- **Risk Band:** 7.

ASSET ALLOCATION

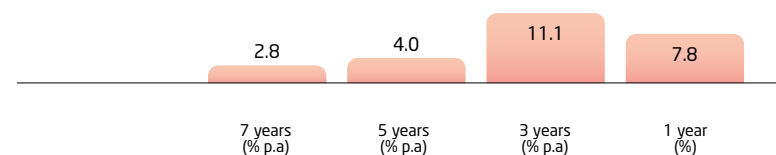
	ACTUAL % AS AT 30/06/14	ACTUAL % AS AT 30/06/15	STRATEGIC % AS AT 01/07/15	ALLOWABLE RANGE % AS AT 01/07/15
International shares emerging	100	100	100	70-100
International shares developed	0	0	0	0-30

INVESTMENT RETURNS³

Super-savings accounts

to 30 June 2015

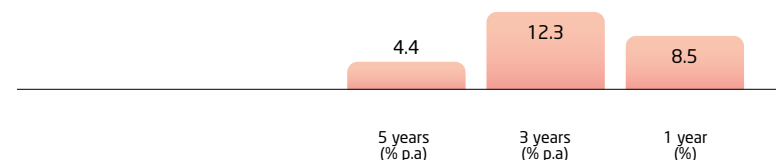
Since commencement: 2.0% p.a. (1 July 2007)



Income accounts

to 30 June 2015

Since commencement: 4.4% p.a. (1 July 2010)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.55% p.a.
- **Performance:** 0.05% p.a.

Actual investment fees for 2014-15

- **Base:** 0.67% p.a.
- **Performance:** n/a
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

PROPERTY

Property

DESCRIPTION

Investment in Australian and international property.

Designed for members who:

- Are seeking to earn returns from investment in the property asset class with active management aiming to achieve better long-term returns than available in the standard market index for this sector.
- **Style:** Multi-manager, active.
- **Currency:** Hedged.
- Minimum suggested timeframe:**
 - 7 years.

OBJECTIVES

- Beat the performance benchmark before investment tax¹ but after investment fees and costs over rolling 5-year periods.
- **Performance benchmark:** 70% FTSE EPRA/NAREIT Global REIT A\$ (hedged), plus 30% Mercer/IPD Australia Core Wholesale Property Fund Index.

RISKS²

- High levels of volatility in the returns from year to year.
- Standard Risk Measure:**
 - **Expected number of years of negative returns over any 20-year period:** 4 to less than 6.
 - **Risk Label:** High.
 - **Risk Band:** 6.

ASSET ALLOCATION

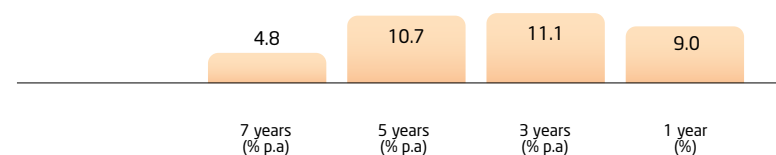
	STRATEGIC % AS AT 01/07/15
Property	100

INVESTMENT RETURNS³

Super-savings accounts

to 30 June 2015

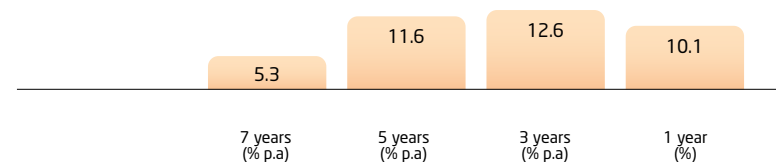
Since commencement: 2.3% p.a. (1 July 2007)



Income accounts

to 30 June 2015

Since commencement: 3.0% p.a. (9 Aug 2007)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.91% p.a.
- **Performance:** 0.04% p.a.

Actual investment fees for 2014-15

- **Base:** 0.92% p.a.
- **Performance:** n/a
- Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

PROPERTY

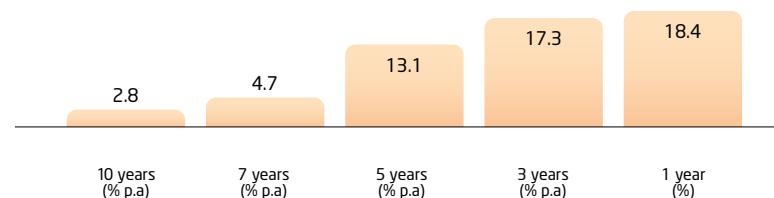
Australian Property – Index

DESCRIPTION	<p>Investment in Australian listed property.</p> <p>Designed for members who:</p> <ul style="list-style-type: none"> • Are seeking to earn returns from investment in the Australian property asset class with passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector. • Style: Single-manager, index. <p>Minimum suggested timeframe:</p> <ul style="list-style-type: none"> • 7 years. 				
OBJECTIVES	<ul style="list-style-type: none"> • Closely match the return of the performance benchmark, before investment tax,¹ and investment fees and costs. • Performance benchmark: S&P/ASX 200 A-REIT Accumulation Index. 				
RISKS ²	<ul style="list-style-type: none"> • Very high levels of volatility in the returns from year to year. <p>Standard Risk Measure:</p> <ul style="list-style-type: none"> • Expected number of years of negative returns over any 20-year period: 6 or greater. • Risk Label: Very high. • Risk Band: 7. 				
ASSET ALLOCATION	<table border="1"> <thead> <tr> <th></th> <th>STRATEGIC % AS AT 01/07/15</th> </tr> </thead> <tbody> <tr> <td>Property</td> <td>100</td> </tr> </tbody> </table>		STRATEGIC % AS AT 01/07/15	Property	100
	STRATEGIC % AS AT 01/07/15				
Property	100				

INVESTMENT RETURNS³

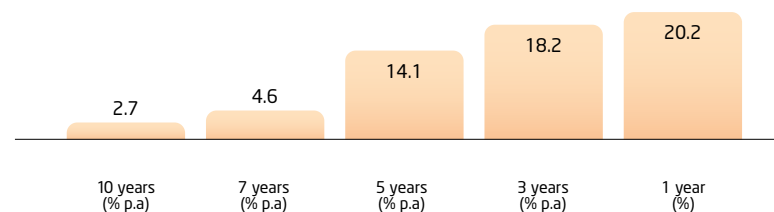
Super-savings accounts

to 30 June 2015



Income accounts

to 30 June 2015



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.13% p.a.
- **Performance:** n/a

Actual investment fees for 2014-15

- **Base:** 0.15% p.a.
 - **Performance:** n/a
- Buy/sell spread:** 0.10% / 0.10%

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

FIXED INTEREST AND CASH

Fixed Interest

DESCRIPTION

Investment in fixed interest.

Designed for members who:

- Are seeking to earn returns from investment in the fixed interest asset class with active management aiming to achieve better long-term returns than available in the standard market index for this sector.
- **Style:** Multi-manager, active.
- **Currency:** Hedged.

Minimum suggested timeframe:

- 3 years.

OBJECTIVES

- Beat the performance benchmark by 0.5-1.0% p.a. before investment tax¹ but after investment fees and costs over rolling 5-year periods.
- **Performance benchmark:** Citigroup World Broad Investment Grade Index in \$A (hedged).

RISKS²

- Medium levels of volatility in the returns from year to year.

Standard Risk Measure:

- **Expected number of years of negative returns over any 20-year period:** 2 to less than 3.
- **Risk Label:** Medium.
- **Risk Band:** 4.

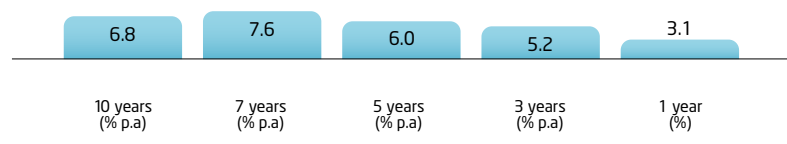
ASSET ALLOCATION

	STRATEGIC % AS AT 01/07/15
Fixed interest	100

INVESTMENT RETURNS³

Super-savings accounts

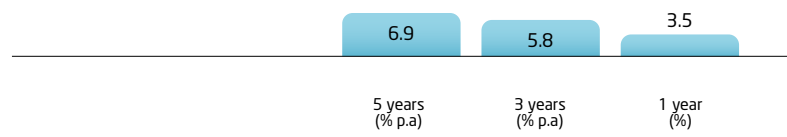
to 30 June 2015



Income accounts

to 30 June 2015

Since commencement: 6.9% p.a. (1 July 2010)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.28% p.a.
- **Performance:** 0.04% p.a.

Actual investment fees for 2014-15

- **Base:** 0.24% p.a.
- **Performance:** 0.04% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

FIXED INTEREST AND CASH

Fixed Interest – Index

DESCRIPTION

Investment in fixed interest.

Designed for members who:

- Are seeking to earn returns from investment in the fixed interest asset class with passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector.
- **Style:** Single-manager, index.
- **Currency:** Hedged.

Minimum suggested timeframe:

- 3 years.

OBJECTIVES

- Closely match the return of the performance benchmark, before investment tax,¹ and investment fees and costs.
- **Performance benchmark:** Citigroup World Government Bond Index Ex-Australia in \$A (hedged).

RISKS²

- Medium levels of volatility in the returns from year to year.

Standard Risk Measure:

- **Expected number of years of negative returns over any 20-year period:** 2 to less than 3.
- **Risk Label:** Medium.
- **Risk Band:** 4.

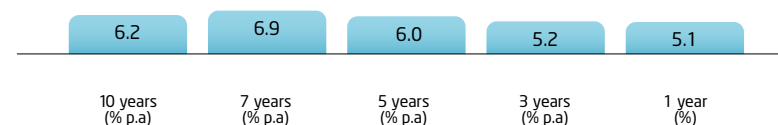
ASSET ALLOCATION

	STRATEGIC % AS AT 01/07/15
Fixed interest	100

INVESTMENT RETURNS³

Super-savings accounts

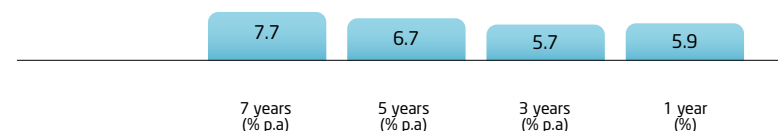
to 30 June 2015



Income accounts

to 30 June 2015

Since commencement: 7.3% p.a. (14 March 2006)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.13% p.a.
- **Performance:** n/a

Actual investment fees for 2014-15

- **Base:** 0.15% p.a.
- **Performance:** n/a
- **Buy/sell spread:** 0.06% / 0.06%

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

FIXED INTEREST AND CASH

Cash

DESCRIPTION

Investment in cash.

Designed for members who:

- Are seeking to accumulate a lump sum or derive income over time by earning returns that are close to the level of short-term interest rates in the Australian economy.
- **Style:** Multi-manager, active.

Minimum suggested timeframe:

- 1 year.

OBJECTIVES

- Match or exceed the returns of the performance benchmark, before investment tax¹ but after investment fees and costs.
- **Performance benchmark:** Bloomberg AusBond Bank Bill Index.

RISKS²

- Very low levels of volatility in the returns from year to year.

Standard Risk Measure:

- **Expected number of years of negative returns over any 20-year period:** Less than 0.5.
- **Risk Label:** Very low.
- **Risk Band:** 1.

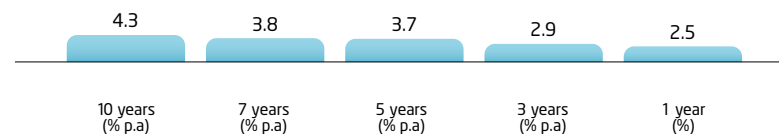
ASSET ALLOCATION

	STRATEGIC % AS AT 01/07/15
Cash	100

INVESTMENT RETURNS³

Super-savings accounts

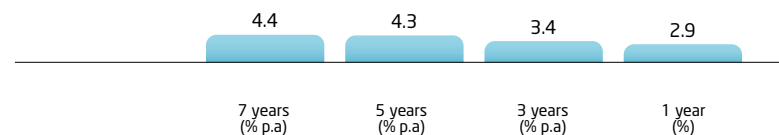
to 30 June 2015



Income accounts

to 30 June 2015

Since commencement: 5.0% p.a. (3 Oct 2005)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.10% p.a.
- **Performance:** n/a

Actual investment fees for 2014-15

- **Base:** 0.09% p.a.
- **Performance:** n/a
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

SPECIAL OPTIONS

Ethical, Environmental and Socially Responsible Investments

DESCRIPTION

Investment in a portfolio diversified across all asset types, but with an emphasis on shares and property.

Designed for members who:

- Are seeking to accumulate wealth over the long term and who want to ensure that their investments are made in line with an extended set of environmental, social and governance principles.
- **Style:** Responsible investment multi-manager, combination of active and index.

• **Currency:** In normal circumstances, international fixed interest and international property assets are hedged to Australian dollars, while international shares and other international assets may be hedged to Australian dollars.

• **Sunsuper SRI certification:** Sunsuper's only certified SRI option is offered through Ethical, Environmental and Socially Responsible Investments.

Minimum suggested timeframe:

- 5 years.

OBJECTIVES

• To provide a total return, after investment fees and costs and before investment tax (where applicable),¹ higher than the return from the performance benchmark on a rolling 5-year basis.

• **Performance benchmark:** The average weighted return of the market indices used to measure the performance of the underlying funds in which the option invests.

RISKS²

• Medium to high levels of volatility in the returns from year to year.

Standard Risk Measure:

- **Expected number of years of negative returns over any 20-year period:** 3 to less than 4.
- **Risk Label:** Medium to high.
- **Risk Band:** 5.

ASSET ALLOCATION

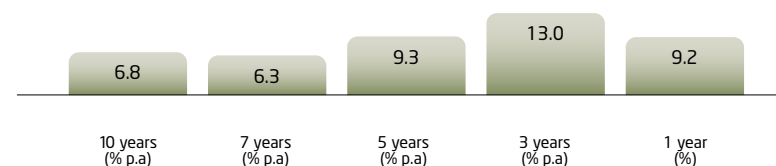
	ACTUAL % AS AT 30/06/14	ACTUAL % AS AT 30/06/15	STRATEGIC % AS AT 01/07/15	ALLOWABLE RANGE % AS AT 01/07/15
Australian shares	30.1	27.9	32.0	25-40
International shares	27.3	30.5	25.0	15-37
Property	9.2	8.7	10.0	0-20
Fixed interest	20.7	17.7	26.0	5-43
Cash	10.8	12.8	5.0	0-15
Alternatives*	1.9	2.4	2.0	0-12

*May include infrastructure, forestry and private equity

INVESTMENT RETURNS³

Super-savings accounts

to 30 June 2015



Income accounts

to 30 June 2015

Since commencement: 10.2% p.a. (1 July 2010)



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.65% p.a.
- **Performance:** 0.02% p.a.

Actual investment fees for 2014-15

- **Base:** 0.65% p.a.
- **Performance:** n/a
- **Buy/sell spread:** 0.22% / 0.22%

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

SPECIAL OPTIONS

Capital Guaranteed

DESCRIPTION

Investment in a mixture of cash deposits with Authorised Deposit-taking Institutions (ADIs) and investments in capital guaranteed superannuation products.

Designed for members who:

- Are seeking to accumulate a lump sum or derive income over time with the benefit of guarantees from banks and insurance companies that the value of their investment will not decline.
- **Additional Info:** Where investments are made into capital guaranteed superannuation products issued by life insurance companies or banks, the capital guarantee is provided by the issuing life company or bank. Sunsuper itself does not guarantee the security of capital.

The Capital Guaranteed option is quite different from other investment options. While the capital value is guaranteed by the issuing life insurance companies or banks not to fall, the trade-off with this guarantee is that your longer-term returns may be lower than some less conservative options. This may limit the chances of achieving your financial goals. You should consider seeking financial advice on alternative investment arrangements before investing in this option. In some unfavourable market conditions, we reserve the right to restrict investment option changes and benefit payments from the Capital Guaranteed option.

- **Style:** Multi-manager, active.
- **Minimum suggested timeframe:** 5 years.

OBJECTIVES

- This option is designed to provide full security of capital, and modest returns over the medium to long term.
- Target performance (after investment tax (where applicable)¹ and investment fees and costs) is the return of the performance benchmark over rolling 5-year periods.
- **Performance benchmark:** Bloomberg AusBond Bank Bill Index after investment tax (where applicable).¹

RISKS²

- Very low levels of volatility in the returns from year to year.
- **Standard Risk Measure:**
- **Expected number of years of negative returns over any 20-year period:** Less than 0.5.
- **Risk Label:** Very low.
- **Risk Band:** 1.

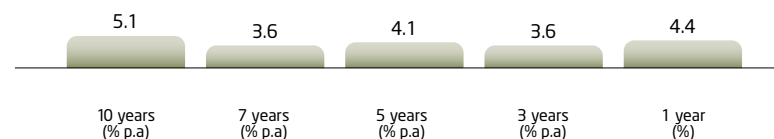
ASSET ALLOCATION

	STRATEGIC % AS AT 01/07/15
Deposits with ADIs and Capital Guaranteed Investments	100

INVESTMENT RETURNS³

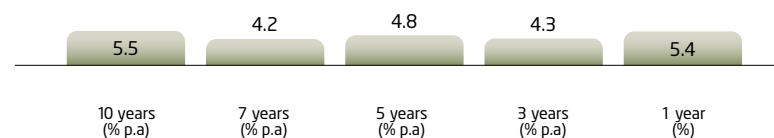
Super-savings accounts

to 30 June 2015



Income accounts

to 30 June 2015



FEES⁴

Estimated investment fees for 2015-16

- **Base:** 0.40% p.a.
- **Performance:** n/a

Actual investment fees for 2014-15

- **Base:** 0.42% p.a.
- **Performance:** n/a
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts*.

2. Refer to page 5 of this Annual report, the *Sunsuper for life Investment guide* and sunsuper.com.au/standardriskmeasure for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2015. Returns are after investment fees and taxes (where applicable) but before administration fees.

4. Investment fees were previously referred to as Indirect investment costs. It is important to read the information on page 5. Buy/sell spreads are as at 30 June 2015.

Investment managers (as at 30 June 2015)

Customised Investment Management Agreements:

Manager	Asset classes	\$mil
Acorn Capital Limited	Australian Shares	114.4
Allegro Funds Pty Ltd	Private Capital, Property	196.5
AMP Capital Investors Limited	Infrastructure, Property	585.8
Baillie Gifford Overseas Limited	International Shares	1,040.8
Balanced Equity Management Pty Ltd	Australian Shares	788.3
Barwon Investment Partners Pty Ltd	Private Capital	146.3
Brandes Investment Partners & Co	International Shares (Emerging)	625.6
CFS Managed Property Limited	Infrastructure	435.8
Colchester Global Investors	Fixed Interest	308.4
GMO Australia Limited	International Shares	1,503.7
Hastings Investment Management Pty Limited	Infrastructure	222.3
HEXAM Capital Partners LLP	International Shares (Emerging)	466.6
INVESCO Australia Limited	Australian Shares	155.6
Lazard Asset Management Pacific Co	International Shares	298.2
Macquarie Specialised Asset Management Limited	Infrastructure	594.7
Maple-Brown Abbott Limited	Australian Shares	722.3
Morgan Stanley Investment Management (Australia) Pty Limited	Fixed Interest	1,203.2
PIMCO Australia Pty Ltd	Fixed Interest	128.3
QIC Limited	Cash	89.6
Sankaty Advisors LLC	Fixed Interest	334.2
Schroder Investment Management Australia Limited	Fixed Interest	719.9
State Street Global Advisors, Australia, Limited	Cash	1,441.7
Taube Hodson Stonex Partners LLP	International Shares	1,210.3
TCW Asset Management Company	Fixed Interest	749.3
Tribeca Investment Partners Pty Ltd	Australian Shares	655.3
Tweedy, Browne Company LLC	International Shares	1,101.9
Vanguard Investments Australia Limited	Australian Shares, International Shares	3,263.0
Vinva Investment Management Limited	Australian Shares	2,810.4
Wellington International Management Company Pte Ltd	Fixed Interest	439.8

Customised Rebalancing/Overlay Investment Management Agreements:

QIC Limited manages portfolios for the purpose of rebalancing asset allocation, rebalancing currency and equity protection overlay.

Pareto Investment Management Limited manages a portfolio for the purpose of currency overlay.

P/E Global LLC manages a portfolio for the purpose of currency overlay.

Investment managers (as at 30 June 2015)

Other Investment Managers:

Sunsuper also invests in a number of investment vehicles and listed below are selected managers.

Manager	Asset classes	\$mil
AMP Capital	International Shares, Property, Capital Guaranteed	546.7
Anchorage Capital Group	Private Capital	176.5
Brevan Howard	Hedge Funds	155.0
Bridgewater Associates	Hedge Funds	209.4
Caspian Capital	Hedge Funds	147.2
CBRE Global Investors	Property	176.0
Deerfield	Private Capital	95.7
Franklin Templeton Investments	Fixed Interest	126.2
GMO	International Shares (Emerging)	339.1
Goodman Australia	Property	270.9
Harbourvest Partners, LLC	Private Capital	224.8
Hayfin Capital Management LLP	Hedge Funds	106.7
Heitman	Property	213.6
King Street Capital Management	Hedge Funds	155.3
Lone Star Funds	Property	250.7
Macrosynergy Partners LLP	Hedge Funds	97.5
Makena Capital	International Shares, Private Capital, Property, Fixed Interest, Hedge Funds, Cash	888.0
Manikay Partners	Hedge Funds	193.8
Myriad Asset Management	Hedge Funds	136.7
Nephila Capital	Hedge Funds	136.4
OWS Capital Management	Hedge Funds	118.4
Perry Capital	Hedge Funds	107.1
QIC	Property	119.5
SSgA	Australian Shares, International Shares, Property, Fixed Interest	2,196.3
Stockbridge Capital Group	Property	231.6
Suncorp Life	Capital Guaranteed	125.3
Sunsuper	Infrastructure, Fixed Interest, Cash	1,919.0
Taconic Capital Advisors	Hedge Funds	113.6
The GPT Group	Property	386.2
Vinva Investment Management	Hedge Funds	97.7
Visium Asset Management	Hedge Funds	103.5
Westbourne Capital	Infrastructure	93.6

Sunsuper Pooled Superannuation Trust

The Trustee of Sunsuper is also the Trustee of the Sunsuper Pooled Superannuation Trust (PST). Some investments of Sunsuper are made via the PST. No other entities invest money in the PST. As at 30 June 2015, the PST's investments were \$6,205m.

Professional advisers

Administrator	Precision Administration Services Pty Ltd*
Custodian	State Street Australia Limited
Auditor	Deloitte Touche Tohmatsu
Investment consultants	Aksia LLC Ibbotson Associates Australia Ltd JANA Investment Advisers Pty Ltd Mercer Investments (Australia) Limited
Lawyers	Corrs Chambers Westgarth
Insurers	AIA Australia Limited MetLife Insurance Limited MLC Limited Hannover Life Re of Australasia Ltd
Actuaries	Shane Mather (Fellow of the Institute of Actuaries of Australia) Towers Watson Australia Pty Ltd

*Precision Administration Services Pty Ltd is wholly owned by the Sunsuper Superannuation Fund.

Sunsuper's reserves

The Trustee maintains a number of reserves in the Fund. The Trustee is required to maintain adequate financial resources to address losses arising from operational risks that may affect its business operations. The operational risk financial requirement (ORFR) is the target amount of financial resources that the Trustee determines is necessary to respond to these losses.

The Trustee revised its operational risk financial requirement for the Group effective 24 June 2015 and set an ORFR target amount at 0.25% of Fund net assets plus 0.10% of Sunsuper Pooled Superannuation Trust (PST) net assets. The ORFR target amount prior to 24 June was set at 0.25% to 0.28% of Fund net assets plus 0.10% of PST net assets. The PST is 100% owned by Sunsuper Superannuation Fund and has the same Trustee as the Fund.

The Trustee may call upon the resources held to meet the ORFR target amount to make a payment to address an operational risk that has materialised and caused one or more beneficiaries in the Fund or in the PST to sustain a loss, or to be deprived of a gain, to which they otherwise would have been entitled, in relation to their benefits in the Fund or in the PST. Initial funding of the ORFR and future top-up or replenishment is from the general reserve. The ORFR is invested in the Balanced option.

Over the past 2 years Sunsuper's ORFR has been:

As at 30 June	2015	2014
Reserve (\$mil)	89.8	81.6
Reserve attributed to the PST (\$mil)	6.2	4.3

The ORFR is included in 'Net assets available to pay benefits' as disclosed in the Statement of Net Assets on page 36 of this report.

The Trustee maintains a general reserve in the Fund for the benefit of members. The general reserve is maintained in order to:

- help meet the operating expenses of the Fund,
- assist with the management of the operational risks of the Fund, including meeting losses from events not covered by insurance, or not claimed under insurance policies and not met from the ORFR,
- support the ORFR,

- support the timing differences between the levels of investment tax and the investment costs incurred and the level of investment tax and investment fees charged to members, and
- support expenses and capital investments in assets designed to enhance the efficiency of the Fund's operations.

The Trustee does not maintain the general reserve for the purpose of smoothing investment earnings for any investment option. Members' accounts are credited or debited with the actual earnings of their investment option or options.

The general reserve may only be invested in:

- the Balanced option,
- low volatility investments (e.g. cash) to fund significant short-term liabilities (e.g. taxes), and
- any other investments approved by the Trustee.

Over the past 5 years Sunsuper's general reserve has been:

As at 30 June	2015	2014	2013	2012	2011
Reserve (\$mil)	200.7	190.9	196.2	199.3	190.1

The general reserve is included in 'Net assets available to pay benefits' as disclosed in the Statement of Net Assets on page 36 of this report.

As part of the Fund's group life insurance arrangements with the insurers, the Trustee may receive profit share distributions. The Trustee may use any profit share distributions to help meet insurance offering costs or to fund insurance related enhancements. Any profit share distributions which are received and not yet used for these purposes are allocated to an insurance reserve.

Over the past 5 years Sunsuper's insurance reserve has been:

As at 30 June	2015	2014	2013	2012	2011
Reserve (\$mil)	Nil	0.3	1.1	4.8	8.0

The insurance reserve is included in 'Net assets available to pay benefits' as disclosed in the Statement of Net Assets on page 36 of this report.

The Board

The Trustee of the Sunsuper Superannuation Fund is Sunsuper Pty Ltd (ABN 88 010 720 840), which is licensed by the Australian Prudential Regulation Authority (APRA) under a Registrable Superannuation Entity (RSE) licence and holds an Australian Financial Services Licence (AFSL) (AFSL No. 228975) from the Australian Securities and Investments Commission (ASIC).

The Trustee is responsible for managing the Fund, and ensures it operates in the best interests of all members and continues to comply with all legal requirements.

Sunsuper Pty Ltd has a Board of Directors comprising equal numbers of member and employer representatives, and, from 2015-16, three independent Directors. Our newly appointed independent Directors are Jenni Mack, Michael Traill and Andrew Fraser. As at 30 June 2015 the representatives on the Board were:

Member representatives	Appointed by
John Battams	Qld Council of Unions
Ron Monaghan (Chair) ¹	Qld Council of Unions
Ben Swan	Australian Workers Union of Employees Qld
Employer representatives	Appointed by
Elizabeth Hallett	Qld Chamber of Commerce and Industry Limited
Rob Hutchinson (Deputy Chair)	Qld Chamber of Commerce and Industry Limited
Paul Lahiff ²	Qld Chamber of Commerce and Industry Limited

¹ Ron Monaghan resigned from the Board effective 31 July 2015 and was replaced by Ben Swan as Chair. A replacement member representative Director is in the process of being appointed.

² Paul Lahiff was appointed to the Board effective 1 January 2015, replacing Graham Heilbronn who resigned effective 31 December 2014.

Replacement representatives are appointed by the same employer or union body to ensure there is always equal representation of employees and employers. The Audit, Compliance and Risk Management Committee of the Board is responsible for reporting to and advising the Board on audit, compliance and risk management issues. The members of the Audit, Compliance and Risk Management Committee are appointed by the Board. All members must be Directors of the Trustee, except for the Audit Committee Financial Expert who can be an external, non-Board member. The current Audit Committee Financial Expert is Marian Micalizzi.

Sunsuper has developed and implemented a comprehensive risk management framework, which focuses on the identification, analysis, evaluation, treatment, monitoring and communication of risks. The risk management framework is subject to limited annual assurance from Sunsuper's external auditor in accordance with prescribed auditing standards as well as further comprehensive review from Sunsuper's internal audit function in accordance with the requirements of APRA's SPS 220 - Risk Management.

All members of the Investment Committee must be Directors of the Trustee, except for the Investment Expert who can be an external, non-Board member. The current Investment expert is Philip Gardner, who replaced Justine Hickey effective 1 February 2015.

Evaluation of Board and executive officers

The Board has implemented a process for the periodic review and evaluation of its performance and the performance of its committees, individual directors and executive officers.

The CEO, in conjunction with the Board Remuneration and Nominations Committee, is responsible for approving the performance objectives and measures for executive officers, and providing input into the evaluation of performance against these objectives.

Performance evaluations for the 2014-15 financial year have been conducted in accordance with the approved process.

Remuneration of directors and executive officers

Director remuneration consists of Director fees, Board and Committee chair fees, superannuation guarantee contributions and the reimbursement of reasonable expenses. The fees reflect the demands on and responsibilities of those directors.

Executive officers remuneration comprises salaries, superannuation guarantee contributions, performance bonuses and the reimbursement of reasonable expenses. The CEO, in conjunction with the Board Remuneration and Nominations Committee, is responsible for determining the remuneration of executive officers. Director and executive officers remuneration is reviewed at least annually. Remuneration levels are benchmarked against independent external sources. The directors and executive officers are paid in accordance with the remuneration policy.

The total remuneration paid to directors and executive officers can be found online at sunsuper.com.au/remuneration

The Board (continued)

	Board	Audit, Compliance and Risk Management Committee	Investment Committee	Remuneration and Nominations Committee	Claims Committee
Numbers of meetings held in the year	10	5	5	3	12
Directors					
Ben Swan	7 (10)	4 (5)	3 (5)	N/A	2 (2)
Elizabeth Hallett	10 (10)	5 (5)	5 (5)	1 (2)	3 (3)
Graham Heilbronn	4 (5)	N/A	2 (2)	1 (1)	1 (1)
John Battams	10 (10)	3 (3)	5 (5)	3 (3)	2 (2)
Paul Lahiff	5 (5)	2 (2)	3 (3)	N/A	1 (1)
Rob Hutchinson	10 (10)	N/A	5 (5)	3 (3)	1 (1)
Ron Monaghan	10 (10)	N/A	4 (5)	3 (3)	2 (2)

Important:

Numbers shown in brackets represent the number of meetings each Director was eligible to attend and are based on 1 July 2014 to 30 June 2015.

The Board approves a charter for each committee, except the Claims Committee which operates under delegation instructions.

The Claims Committee is comprised of one Director sitting in rotation supported by a management advisory committee.

Directors on the Audit, Compliance and Risk Management Committee from 1 July 2014 to 31 December 2014 were Ben Swan, Elizabeth Hallett and John Battams. Directors on the Audit, Compliance and Risk Management Committee from 1 January 2015 to 30 June 2015 were Ben Swan, Elizabeth Hallett and Paul Lahiff.

Directors on the Remuneration and Nominations Committee from 1 July 2014 to 31 December 2014 were John Battams, Rob Hutchinson, Ron Monaghan and Graham Heilbronn. Directors on the Remuneration and Nominations Committee from 1 January 2015 to 30 June 2015 were Ron Monaghan, Elizabeth Hallett, John Battams and Rob Hutchinson.

More information on Investment options

Active investment options

Sunsuper has a belief in active investment management that we apply to several of the options we offer. This is reflected in the range of highly rated investment managers selected by Sunsuper and its investment consultant, JANA Investment Adviser Pty Ltd ABN 97 006 717 568, to manage the actively managed investment options.

We believe that active management will result in returns higher than returns from index managers, even after active management fees are taken into account. In addition to expecting our managers to outperform their benchmarks through active management, we expect all of our managers to:

- have world class professional investment processes,
- complement each other's processes and styles, and
- be cost effective.

Index investment options

Although we believe in the potential benefits of active management, we provide our members with access to low cost index options. Index (or passive) options are invested in a range of investments designed to replicate the performance of a chosen benchmark. Index options generally have lower fees than actively managed options.

Multi-manager approach

Options may be classified as single or multi-manager. Sunsuper generally prefers to construct options using a multi-manager approach. Multi-manager options use a combination of investment managers within the one investment option, providing diversification across investment managers and reducing the risk of exposure to any one investment manager or style.

Currency hedging

The value of overseas investments can be impacted by currency fluctuations. The effects of currency movement on an investment can be reduced by 'currency hedging'. This fixes the value of the Australian dollar relative to one or a number of foreign currencies.

An investment or asset class can be either fully hedged, partially hedged or unhedged:

- fully hedged is where all of the investment is protected from the effects of currency exchange rates,
- partially hedged is where the investment is partly protected from these effects, and
- an unhedged investment is not protected from these effects.

Sunsuper has a set strategic currency exposure policy for the investment options and pools designed by Sunsuper which have international exposure. The policy may be modified in the future, with respect to the hedging of currency:

- For the options with international fixed interest investments, Sunsuper aims to fully hedge the currency exposure (that is, the impact of currency fluctuations are virtually eliminated),
- For the options with international shares investments, Sunsuper varies the strategic level of foreign currency hedging. An appropriate hedge is set for each option, taking into account its specific circumstances, asset allocation and risk and return characteristics. Active managers can also vary the level of hedging as a tactical decision to take advantage of expected currency movements.

For other investment options with international exposure, the currency hedging policy is outlined in the relevant investment panel for each option on pages 6 to 26.

How we calculate your balance

Your account balance is calculated by multiplying the number of units you have in each investment option by the unit price for each option. As the unit prices are calculated on a daily basis, the value of your account may change daily.

Is your investment guaranteed?

No, except for the Capital Guaranteed option, the movement in unit prices, the repayment of capital and the performance of any investment option are not guaranteed. Investing in a specific investment option does not give any entitlement to the assets underlying that investment option. For more details on the guarantee for the Capital Guaranteed option, refer to page 26.

How does Sunsuper use derivatives?

Sunsuper's policy is to allow our investment managers to use derivatives, such as futures, options and swaps, to achieve their investment objectives, particularly for the purpose of managing risk. However, the managers must operate within specific investment guidelines.

More information on Investment options (continued)

Changes to the benchmark names from September 2014

Investment option	Description before 29 September 2014	New description from 29 September 2014
Lifecycle Investment Strategy - Cash Pool <i>Sunsuper for life PDS</i> (page 7) and <i>Sunsuper for life Investment guide</i> (page 11)	Investment objectives ¹ <ul style="list-style-type: none"> Match or exceed the UBS Australia Bank Bill Index (before investment tax but after Indirect investment costs). 	Investment objectives ¹ <ul style="list-style-type: none"> Match or exceed the Bloomberg AusBond Bank Bill Index (before investment tax but after investment fees and costs).
Conservative <i>Sunsuper for life Investment guide</i> (page 15)	Investment objectives <ul style="list-style-type: none"> Returns (after Indirect investment costs and where applicable investment taxes)² of 1% p.a. above the UBS Australia Bank Bill Index after investment tax (where applicable) over periods of 2 to 5 years. 	Investment objectives <ul style="list-style-type: none"> Returns (after investment fees and costs and where applicable investment taxes)² of 1% p.a. above the Bloomberg AusBond Bank Bill Index after investment tax (where applicable) over period of 2 to 5 years.
Cash <i>Sunsuper for life Investment guide</i> (page 22)	Performance benchmark: UBS Australia Bank Bill Index.	Performance benchmark: Bloomberg Ausbond Bank Bill Index.
Capital Guaranteed <i>Sunsuper for life Investment guide</i> (page 23)	Performance benchmark: UBS Australia Bank Bill Index after investment tax (where applicable). ²	Performance benchmark: Bloomberg Ausbond Bank Bill Index after investment tax (where applicable). ²

1 The Investment objective above is set by Sunsuper for monitoring our ongoing investment performance. This objective may differ from the prescribed Return target disclosed on our MySuper dashboard which is calculated using a different methodology.

2 No investment tax generally applies for Income accounts.

Changes effective 1 July 2015

For details of the changes to Sunsuper investment options effective 1 July 2015, refer to the *Product Update 2015* and *Notes to your Annual Statement 2015*, available at sunsuper.com.au/prescribedinformation/significanteventnotifications

These changes are reflected in the 1 July 2015 *Sunsuper for Life PDS* and *Sunsuper for Life Investment guide* available at sunsuper.com.au/pds

Unless otherwise noted, investment option information in this Annual report is that applicable from 1 July 2015.

Compliance

Sunsuper complies

Sunsuper is a regulated fund under the *Superannuation Industry (Supervision) Act 1993 (SIS)*, and has been a complying fund since inception in 1987. Sunsuper was granted an RSE licence by the Australian Prudential Regulation Authority (APRA) on 21 October 2005.

It is the Trustee's responsibility to ensure that Sunsuper meets its licensing obligations, including compliance with the RSE licensee laws and the maintenance of a risk management strategy and plan. As a result, Sunsuper members benefit from the lower tax rates that apply to complying funds. The Trustee lodges a return each year with APRA indicating the Fund's compliance with relevant legislation, including the SIS Act.

As an Australian Financial Services licensee, Sunsuper must also have arrangements in place to ensure that it complies with its licensee obligations as determined by the Australian Securities and Investment Commission (ASIC). These obligations relate to conduct and disclosure; the provision of financial services; the competence, knowledge and skills of its responsible officers, as well as their good fame and character; the training and competence of its staff and representatives; and dispute resolution and compensation arrangements. Sunsuper has planned and implemented compliance measures, processes and procedures to ensure it meets the obligations.

Further information

Further information to help you understand your benefits or entitlements, the main features of the Fund, the management and financial condition of the Fund, and the Fund's investment performance or investment strategies is available by calling us on **13 11 84** or visiting **sunsuper.com.au**

Insurance

The Trustee has implemented a comprehensive insurance programme, which includes trustee liability and professional indemnity insurance policies. This programme is designed to transfer some of the financial risks faced by the Trustee

and the Fund to other parties. The nature and extent of the insurance policies in place has been determined through risk analysis and consultation with external risk advisors.

Superannuation surcharge

This surcharge was abolished from 1 July 2005, however, surcharge amounts may have been advised by the Australian Taxation Office (ATO) and been deducted from members' accounts during the 2013–14 year. Sunsuper as the Trustee is responsible for the collection and the remittance of these amounts to the ATO and will deduct any surcharge payable from your account.

Eligible Rollover Fund

To protect the value of small *Super-savings accounts*, Sunsuper may, at its discretion, transfer member accounts to an Eligible Rollover Fund (ERF) where:

- the member's account balance is low, and
- we have not received any contributions on the member's behalf for at least 2 years.

The ERF currently used by Sunsuper can be contacted as follows:

The AUSfund Administrator,
PO Box 2468
Kent Town
SA 5071

Call: 1300 361 798

If your *Super-savings accounts* balance is transferred to AUSfund:

- You will no longer be a member of *Sunsuper for life*.
- You will become a member of AUSfund and be subject to its governing rules. You should refer to the AUSfund Product Disclosure Statement PDS for details of its features. If Sunsuper can provide AUSfund with your contact details, AUSfund will provide you with its own PDS that outlines all the operational details of their fund.

- Investment earnings credited to your account will vary depending on the interest rate declared by the Trustee of AUSfund. You should refer to the AUSfund PDS, website and annual report for details of these investment earnings.
- A different fee structure will apply. For details of fees changed by AUSfund, refer to the AUSfund Product Disclosure Statements.

Indirect investment and operational costs are deducted from the gross investment returns before interest rates are declared. You should refer to the AUSfund PDS for details of the fees which may apply.

- AUSfund has one diversified investment strategy and therefore doesn't 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 markets.
- AUSfund does not offer insured benefits in the event of death or disablement.

You can contact AUSfund directly to claim your benefit or to transfer it to another superannuation fund. You can access the AUSfund PDS at www.unclaimedsuper.com.au.

The trustee of AUSfund is Industry Funds Investments Limited, ABN 17 006 883 227, AFSL 229881.

Compliance (continued)

Dispute resolution

If you are unhappy with our service or super fund, we offer a complaint resolution process at no additional cost to you. Contact us to discuss your complaint:

Customer Service Team: **13 11 84**

Sunsuper Customer Relations Team
GPO Box 2924
Brisbane Qld 4001

sunsuper.com.au/contactus

We will do everything we can to resolve the issue as quickly as possible. If you are still not happy or Sunsuper has not responded within 90 days, you can contact the Superannuation Complaints Tribunal (SCT). This is an independent dispute resolution body established by the Federal Government to help resolve complaints about superannuation. They may be contacted by writing to:

Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne Vic 3001

Phone: 1300 884 114

Web: www.sct.gov.au

Important information you should know about making a complaint to the SCT

The scope of matters that the SCT can deal with is limited by legislation, and it is possible that the SCT cannot deal with the matter. The SCT will advise you if they can deal with a complaint and, if so, what information is required. The SCT can only deal with complaints where:

- the complainant is a member or former member of Sunsuper, or a person on behalf of a member or former member of his/her estate,
- the complaint relates to a Trustee decision or action in respect of a particular member of the Fund, not the general management of the Fund, and
- the complaint has first been dealt with under Sunsuper's internal complaint resolution procedures.

Access to the SCT is free of charge.

For more information on the complaints resolution process refer to **sunsuper.com.au/complaints**

Temporary residents

Super funds will be issued with a notice by the ATO identifying members who are not Australian or New Zealand citizens or permanent residents of Australia and who have left Australia after holding an Australian temporary resident visa. On receipt of the ATO notice, we will be required to transfer the benefit of any member recorded on the notice to the ATO. As Sunsuper adopts the ASIC class order relief that provides disclosure exemption for former temporary residents, information regarding the transfer of a member's benefits and significant event notices may not be provided to a member whose benefit has been transferred. For more information visit **sunsuper.com.au/factsheets**

After departing Australia a former temporary resident can claim their benefit from Sunsuper (if we have not paid it to the ATO) or from the ATO. If you are applying to the ATO to claim your benefit and require information about the transfer, please contact us. The taxable component (taxed element) of a former temporary resident's benefit will be taxed at 38 per cent.

Unit pricing error compensation

Sunsuper has put in place comprehensive controls in order to minimise the chance of unit pricing errors. Should an error occur and Sunsuper determines that compensation is payable to members that have been adversely affected, we aim to ensure existing Sunsuper members are in the same financial position as if the error did not occur. For exited members only amounts \$20 or greater will be compensated. Sunsuper's policy is in line with industry standards and regulatory guidelines.

Financial statements

The financial statements identify:

- all contributions to the Fund,
- where the Fund's money was invested and how much income it earned,
- expenses the Fund incurred and other revenue the Fund earned,
- the net assets in the Fund available to pay future benefits, and
- the amount the Fund paid out in benefits.

The Trustee is satisfied that the following abridged financial information derived from the audited Financial Statements of the Fund represents a true and accurate record of changes in the Fund's net assets during the year to 30 June 2015 and the net assets as at 30 June 2015. Audited Financial Statements and the Independent Report by the Fund's auditors are available on our website. You can also contact us on **13 11 84** to request a copy to be sent to you.

STATEMENT OF NET ASSETS as at 30 June	2015 \$000	2014 \$000
Investments		
Cash and cash equivalents	3,687,988	3,789,226
Fixed interest securities	4,151,273	3,761,368
Australian equities	7,506,302	7,067,675
International equities	8,983,162	7,315,240
Property	3,119,506	2,557,452
Alternative assets	6,501,662	5,034,525
Total investments	33,949,893	29,525,486
Other assets		
Cash at bank	40,854	39,671
Contributions receivable	200,988	197,559
Other financial assets	122,908	113,456
Plant and equipment	2,677	3,090
Deferred tax asset	34,697	3,541
Total other assets	402,124	357,317
Total assets	34,352,017	29,882,803
Liabilities		
Benefits payable	247,135	228,262
Other payables	43,724	33,900
Provision for employee benefits	3,121	2,854
Current tax liabilities	249,443	277,051
Deferred tax liabilities	299,989	168,328
Total liabilities	843,412	710,395
Net assets available to pay benefits	33,508,605	29,172,408

STATEMENT OF CHANGES IN NET ASSETS for the year ended 30 June	2015 \$000	2014 \$000
Revenue from ordinary activities		
Net investment revenue		
Interest	215,862	206,386
Dividends and distributions	865,011	679,405
Rental and other investment income	38,028	41,187
Changes in net market value of investments	1,843,797	2,498,242
Less: Direct investment expenses	(96,412)	(70,639)
	2,866,286	3,354,581
Contribution revenue		
Employer contributions	2,675,446	2,516,762
Member contributions	448,414	363,529
Transfers from other funds	1,118,358	1,003,250
Transfer from successor fund	546	462,299
	4,242,764	4,345,840
Other revenue		
Group life insurance rebate	(2,000)	12,000
Group life insurance proceeds	253,947	223,517
Other income	99	75
	252,046	235,592
Total revenue from ordinary activities	7,361,096	7,936,013
Expenditure from ordinary activities		
Direct member expenses		
Group life insurance premiums	355,072	197,804
Other member and sub-plan specific expenses	624	507
	355,696	198,311
Indirect member expenses charged to general reserve		
Fund administration expense	125,758	128,293
Depreciation expense	529	647
Anti-detriment payments	5,361	3,949
	131,648	132,889
Benefits paid and payable	2,193,652	1,824,845
Total expenditure from ordinary activities	2,680,996	2,156,045
Total revenue less expenditure before income tax	4,680,100	5,779,968
Income tax expense	343,903	533,704
Total revenue less expenditure after income tax	4,336,197	5,246,264
Net assets available to pay benefits at the beginning of the year	29,172,408	23,926,144
Net assets available to pay benefits at the end of the year	33,508,605	29,172,408



For further information about the ratings methodology used and awards, refer to sunsuper.com.au/ratingsagencies



Sunsuper is a member of The Association of Superannuation Funds of Australia Limited (ASFA).

Sunsuper Pty Ltd Sunsuper Superannuation Fund
 ABN 88 010 720 840 ABN 98 503 137 921
 AFSL No. 228975 SPIN SSR 0100 AU

MySuper Authorisation 98 503 137 921 996

Unique Super Identifier (USI) 98 503 137 921 001



Contacting us is easy:

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- twitter.com/sunsuper
- facebook.com/sunsuper
- linkedin.com/company/sunsuper