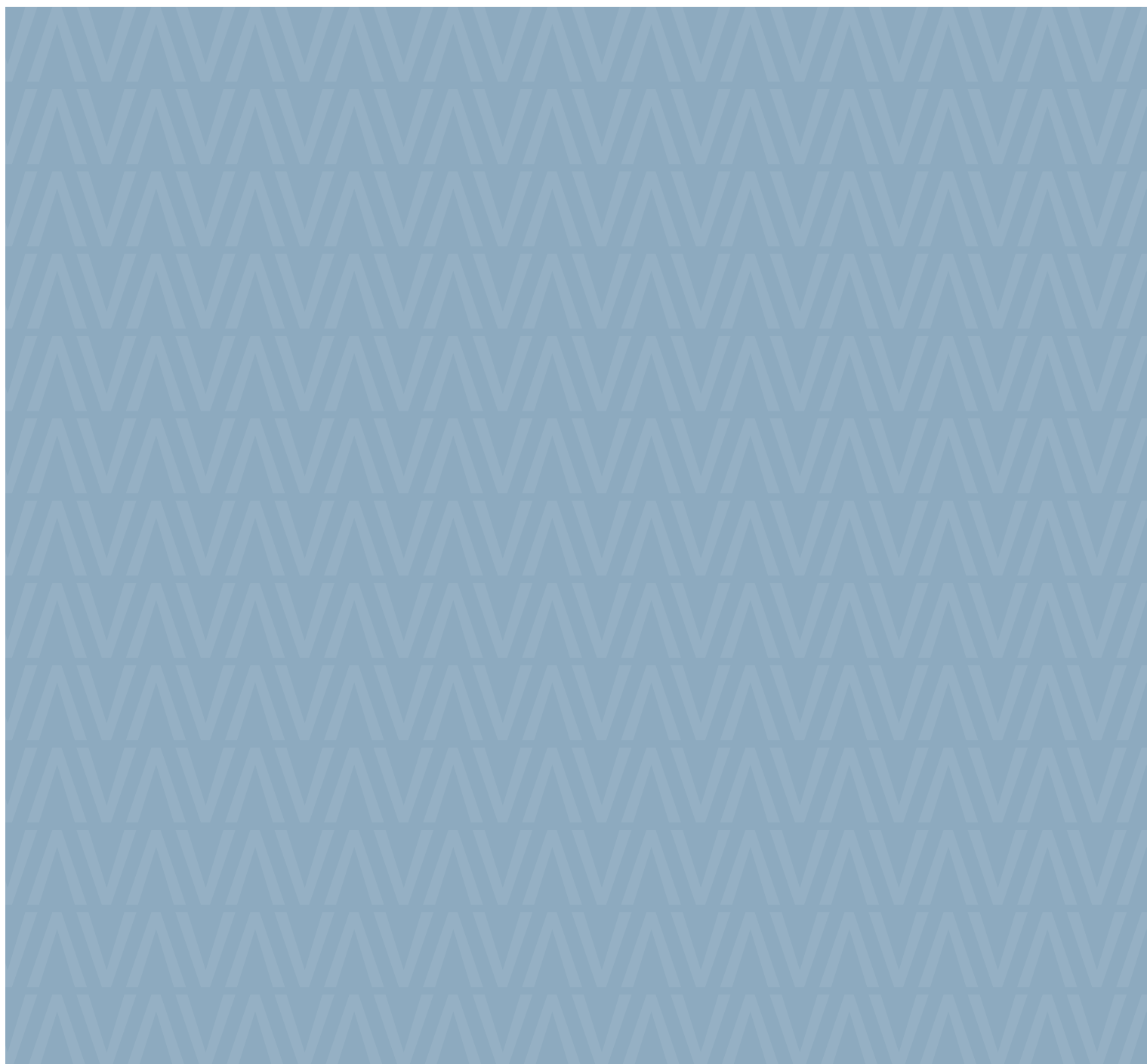


ADVANCE RETIREMENT SUITE –
PERSONAL SUPER
ALLOCATED PENSION

Annual Report for the year ended 30 June 2016

Issued by BT Funds Management Limited ABN 63 002 916 458 AFSL 233724



CONTENTS

Introduction	1
Recent developments in superannuation	2
Understanding your investment	5
Investment information	6
Other important information	15
Financial Information	18

In this Annual Report

- > 'Account' or 'Accounts' refers to either or all of the Advance Super Account and Advance Allocated Pension Account.
- > 'Advance Retirement Suite' refers to all of the Accounts.
- > 'Super Account' refers to the Advance Super Account.
- > 'BTFM', 'we', 'us' and 'our' are references to BT Funds Management Limited ABN 63 002 916 458 AFSL 233724.
- > 'Advance' refers to Advance Asset Management Limited ABN 98 002 538 329 AFSL 240902.

Important information

BTFM is the trustee of the Advance Retirement Suite ABN 95 068 282 166 and has issued this Annual Report.

The trustee has not received any notices or penalties for non-compliance during the reporting period and has formally resolved that the Accounts will at all times be administered in strict compliance with all applicable acts and regulations.

The investment information or general advice provided in this publication doesn't take into account your personal objectives, financial situation or needs and because of that you should consider the appropriateness of the information or advice having regard to these factors. Before deciding whether to continue to hold a financial product issued by us, you should obtain and consider the Product Disclosure Statement (PDS) for that product, available from us or your financial adviser. Past performance is not a reliable indicator of future performance.

BTFM and Advance

Advance has entered into an agreement with us relating to the establishment and administration of the Advance Retirement Suite and, under this Agreement, Advance may ask us to retire as the trustee of the Advance Retirement Suite and we must do all things reasonably required by Advance to facilitate the appointment of a person nominated by Advance as our replacement. You'll be notified if we're asked to retire as the trustee. When we retire, we'll be released from any future obligations in relation to the Advance Retirement Suite and the replacement trustee will agree to take on all duties and obligations of the trustee.

Advance and BTFM are subsidiaries of Westpac Banking Corporation (Westpac) ABN 33 007 457 141. An investment in the Advance Retirement Suite is not a deposit with, investment in, or other liability of Westpac or any other company within the Westpac Group. It's subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither Westpac nor any other company within the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of the Advance Retirement Suite.

Advance and BTFM are subsidiaries of the Westpac Banking Corporation (Westpac) ABN 33 007 457 141. An investment in the Advance Fixed Term Pension is not a deposit with, investment in, or other liability of Westpac or any other company within the Westpac Group. It's subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither Westpac nor any other company within the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of the Advance Fixed Term Pension.

Introduction

We're pleased to present the Annual Report for the Accounts at 30 June 2016. This report is issued in accordance with the Corporations Act 2001. It contains general information, providing details of the financial position and management of the Accounts.

The report also details how you can obtain additional information about your account. You can request additional information (including the trust deed, financial statements and auditor's report) from from our Customer Relations team. Details are on page 17.

Recent developments in superannuation

1. 2016/17 superannuation thresholds

The superannuation contributions caps and various other superannuation thresholds that apply for the current financial year are as follows:

CONCESSIONAL CONTRIBUTIONS CAP:	
> Standard cap (under age 49 on 30 June 2016)	\$30,000
> Aged 49 or over on 30 June 2016	\$35,000
> Non concessional contributions cap:	\$180,000 ¹
Capital Gains Tax (CGT) Cap (lifetime limit):	\$1,415,000
GOVERNMENT CO-CONTRIBUTIONS	
> Maximum co-contribution ²	\$500
> Lower threshold	\$36,021
> Upper threshold (cut off)	\$51,021
Superannuation Guarantee (SG) rate³:	9.5%
Low rate cap	\$195,000

1. If you were under age 65 on 1 July 2017 you may be able to make up to \$540,000 of non-concessional contributions over three financial years. Refer to 'Changes to superannuation' on page 3 for further information.
2. The maximum co-contribution payable is phased out by 3.333 cents for every dollar of total income over the lower threshold, until it reaches zero at the upper threshold.
3. The SG rate is currently 9.5% where it'll remain until 30 June 2021. From 1 July 2021, the SG rate will increase to 10% and thereafter will increase by 0.5% each financial year until it reaches 12% at 1 July 2025.

2. Higher concessional contributions cap

For 2016/17 financial year, the standard concessional contribution cap is \$30,000 per annum.

An increased concessional contribution cap of \$35,000 per annum (not indexed) is available for members aged 49 years or over on 30 June 2016.

The government has proposed that from 1 July 2017, the concessional contributions cap will reduce to \$25,000 per year, irrespective of age. Refer to 'Changes to superannuation' on page 3 for further information.

3. Lost member accounts transferred to the ATO

If your account is considered to be lost*, the trustee may be required to transfer your account balance to the ATO if:

- > your account balance is less than the small lost account threshold, or

- > the trustee is satisfied that it will never be possible to pay an amount to you (because you cannot be identified based on the information reasonably available to the trustee).

From 31 December 2015, the small lost account threshold has increased to \$4,000 (previously \$2,000) and from 31 December 2016, it will increase further to \$6,000. If your account balance is transferred, you'll be able to reclaim it from the ATO. The ATO will pay interest on unclaimed super money amounts paid directly to eligible individuals for the period the money was held by the ATO after 1 July 2013. Any interest paid is tax free.

* Your super account will generally be considered 'lost' if:

- > no contributions or rollovers have been added to your account in the last year and either the trustee has never had an address for you or mail sent to you by the trustee has been returned unclaimed, or
- > for default employer super plans, no contributions or rollovers have been added to your super account in the last five years.

4. Low Income Super Contribution

From 2012/13, those with adjusted taxable income¹ of up to \$37,000 who have received concessional contributions during the year, may be eligible to receive a government super payment of up to \$500 to help save for their retirement. This payment is called the Low Income Super Contribution (LISC).

The government has abolished LISC payments from 1 July 2017. LISC payments will continue to be payable in relation to eligible individuals who made concessional contributions received in financial years 2012/13 to 2016/17 inclusive. Refer to 'Changes to superannuation' on page 3 for further information.

1. Adjusted taxable income is the sum of taxable income, adjusted fringe benefits, target foreign income, total net investment loss, tax-free pension or benefits and reportable superannuation contributions less deductible child maintenance expenditure.

5. Temporary Budget Repair Levy and Medicare Levy increase

A Temporary Budget Repair (TBR) Levy of 2% will apply to the amount of a person's taxable income above \$180,000 for 2014/15, 2015/16 and 2016/17 financial years only. The TBR Levy will also be reflected in a number of other tax rates that are currently based on the top marginal tax rate, for the same three year period. The TBR levy is due to cease on 1 July 2017.

The Medicare Levy also increased from the 2014/15 financial year from 1.5% to 2.0% and will remain at 2.0% to help fund the National Disability Insurance Scheme.

The TBR Levy and increased Medicare Levy impacts the tax withheld from some payments you receive from your pension and super accounts as outlined below.

6. Tax on payments

Income payments

For the 2016/17 financial year, the tax payable on income payments you receive from your pension will include the increased Medicare Levy and may also include the TBR Levy.

Lump sum payments

Tax withheld from lump sum payments you, or your non-dependant (tax) beneficiaries¹, receive from your pension or super account will include the increased Medicare Levy but will not include the TBR Levy. If you or your non-dependant (tax) beneficiaries¹ receive a lump sum payment and have taxable income above \$180,000 for 2016/17 additional tax may be payable as part of the tax return process.

From 1 July 2016 if you are eligible to access your superannuation as a lump sum, the tax we are required to withhold will depend on your age and the tax components within your benefit, as shown in the table below.

AGE	TAX WITHHELD ON THE TAXABLE COMPONENT	TAX WITHHELD ON THE TAX-FREE COMPONENT
> Under preservation age ²	A rate of 22% (including the Medicare Levy)	Nil
> Preservation age ² to 59	Up to \$195,000 ³ : Nil Above \$195,000 ³ : a rate of 17% (including the Medicare Levy)	Nil
> 60 or over	Tax-free	Nil

Death benefits paid on or after 1 July 2016 as a lump sum to a non-dependant for tax purposes¹ will have tax withheld in the following manner:

COMPONENT	TAX WITHHELD
> Tax-free	Nil
> Taxable (taxed element)	Taxed at 17% (including the Medicare Levy)
> Taxable (untaxed element)	Taxed at 32% (including the Medicare Levy)

1. Death benefits paid as a lump sum to your dependants (for tax purposes) are tax-free. A dependant for tax purposes includes your spouse or former spouse, your children under 18, a person who was wholly or substantially financially dependent on you at the time of your death and a person with whom you were in an interdependency relationship at the time of your death.
2. Your preservation age is between 55 and 60 depending on your date of birth.
3. This is the low rate cap which provides a lifetime limit of \$195,000 for 2016/17, indexed to AWOTE rounded down to the nearest \$5,000 in subsequent years.

Changes to superannuation

The federal government announced a number of changes to superannuation in the 2016-17 Federal Budget.

These changes have now passed the Federal Parliament and are outlined below. Please note that most of these changes will commence on 1 July 2017.

Non-concessional contributions cap reduced

From 1 July 2017, the non-concessional contributions cap will be reduced to \$100,000 per annum. The existing 'bring-forward' provisions will continue which allows members under age 65 to make non-concessional contributions of up to \$300,000 over three years. Once your total super balance has reached \$1.6 million, you will no longer be eligible to make non-concessional contributions. Eligibility will be based on an individual's total super balance as at 30 June the previous financial year.

Concessional contributions cap reduced

From 1 July 2017, the concessional (before-tax) contributions cap will reduce from \$30,000 (or \$35,000 for individuals over age 49) to \$25,000 per year, irrespective of age.

From 1 July 2019, those with super balances less than \$500,000 at the end of the previous financial year, will be allowed to make additional concessional contributions by utilising unused concessional cap amounts from the previous five years, however, this will only apply to unused cap amounts from 1 July 2018.

Transfer Balance cap

From 1 July 2017, the total amount of superannuation that can be transferred into retirement phase will be capped at \$1.6 million, irrespective of when the income stream commenced. The cap will be indexed in \$100,000 increments in line with increases in the consumer price index. Superannuation savings in excess of the cap can remain in a superannuation account in accumulation phase, where the earnings will continue to be taxed at the concessional rate of 15%. This limit will also apply to existing pensions, where any excess above \$1.6 million at 30 June 2017, will generally be required to be rolled back to the accumulation phase or withdrawn from the super system entirely.

Amounts in excess of the transfer balance cap that are retained in the retirement phase will be subject to additional tax.

Transitional provisions provide an exception to existing pensions where the excess transfer balance at 1 July 2017 will be disregarded if it is less than \$100,000. Investors in this situation will have six months until 31 December 2017 to transfer or withdraw the excess amount.

Removal of the tax exemption for Transition to Retirement (TTR) income streams

From 1 July 2017, the tax exemption for earnings on the assets of a transition to retirement income stream will be removed, irrespective of when the income stream commenced. Instead, the earnings will be taxed at the same rate as a superannuation accumulation account.

Reduction of Division 293 tax threshold

The threshold for Division 293 tax is being reduced from adjusted taxable income (ATI) of \$300,000 per annum to \$250,000 per annum from 1 July 2017.

Low Income Super Tax Offset

The government intends to introduce a Low Income Superannuation Tax Offset (LISTO) from 1 July 2017. The LISTO will compensate individuals earning \$37,000 or less for the tax paid on their concessional contributions to super up to a maximum of \$500 (a concessional contribution of \$3,333). This effectively extends the Low Income Super Contribution (LISC), which ceases to apply after 30 June 2017.

Eligibility for government co-contributions

From 1 July 2017, the government co-contribution only be available to individuals whose non-concessional contributions for the relevant income year do not exceed their non-concessional cap for that year.

Tax deductions for personal contributions

The government intends to allow anyone under age 75 to claim an income tax deduction for personal superannuation contributions made on or after 1 July 2017. Currently, this tax deduction is only available to persons who are not employees for the purposes of Superannuation Guarantee (compulsory superannuation) or who are substantially self-employed (those who earn less than 10% of their total income from employment related activities).

Extending the spouse tax offset

From 1 July 2017, the government intends to extend eligibility for the spouse tax offset, of up to \$540, to an individual making a contribution for an eligible spouse whose income is up to \$37,000 (currently \$10,800). There will be a phase out for spouse income between \$37,000 and \$40,000 (currently \$10,800 and \$13,800).

The tax offset is not available if the spouse's total superannuation balance as at 30 June of the previous financial year has exceeded the transfer balance cap (\$1.6 million).

Other legislation:

Tax on Departing Australia Superannuation Payment

From 1 July 2017, the government proposes to increase the tax applied to Departing Australia Superannuation Payments (DASP) to 95% for temporary residents who held working holiday visas (Subclass 417 and 462). The tax on DASPs for other temporary residents will not change.

Understanding your investment

Advanced thinking

Advance offers a wide choice of quality investments and the security of ongoing monitoring and analysis. The Advance investment team provides in-depth analysis of the underlying investment funds and the managers behind them, with the aim of offering broad diversification, quality risk management and access to some of the world's best investment managers.

About the Accounts

All administrative, accounting, reporting and audit requirements of the investment are provided for investors through the Accounts.

We're responsible for the day-to-day management of these Accounts. Our duties include administering individual investor accounts, organising the payment of benefits, dealing with tax matters relating to your investments and providing you with regular, consolidated reports. When necessary, we'll engage external experts, such as accountants and solicitors, to provide assistance.

We provide you with detailed information on the individual investment performance of your account, the overall market performance and individual exposure to asset classes within each investment portfolio in consolidated Investor Reports (issued half-yearly). Other information may be available on request.

The Accounts were closed to new members from 19 June 2012, however existing members can continue to contribute into the Accounts.

Contributing to your super via the BPAY® payment facility BPAY is a quick and easy way for you to make deposits directly into your superannuation account. All you need is your customer reference number and the relevant Biller Code.

Depending on what type of contribution you're making, different Biller Codes apply (see table below).

CONTRIBUTION TYPE	BILLER CODE
Personal deducted	66472
Personal undeducted	66480
Salary sacrifice	66456
Super guarantee	66449
Employer	66464
Spouse	68007

® Registered to BPAY® Pty Ltd ABN 69 079 137 518

Note: by using a Biller Code to make a BPAY® deposit, you acknowledge you've received PDSs for the investments in your account (including information about significant events or matters affecting them) electronically on Investor Online. You can access these documents via the 'PDS' menu option on the Investor Online homepage.

Investment Information

Investment choice

As an investor in the Advance Retirement Suite, you have access to a quality investment menu.

The diagram below illustrates the types of investments available to you, including diversified and sector multi-manager options (known as multi-manager funds) and a range of discretionary investments (known as single manager funds). From these managed investment options, you and your financial adviser can build an investment profile to suit your individual needs.

You also get investment flexibility. As your investment needs or objectives change, you can switch your investments at any time, quickly and easily.

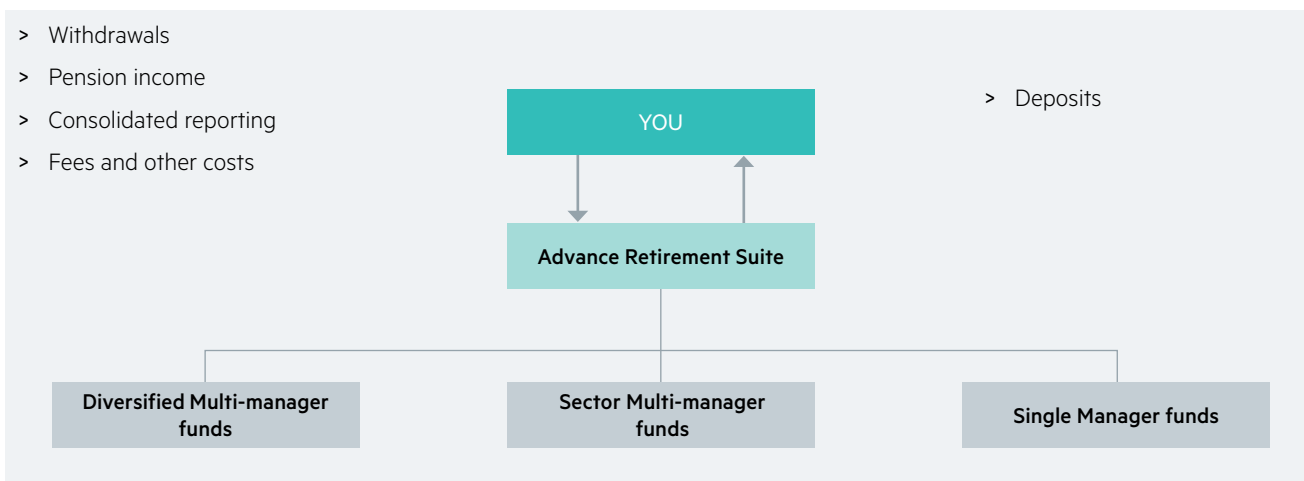
Investment Option profiles

The Investment Option profile section gives you a snapshot of each Investment Option together with other information including:

- > the full range of Investment Options available within the Accounts
- > the investment objectives and strategy of each Investment Option
- > asset allocation information, including strategic range, allocations for 30 June 2016, and the neutral position for the diversified multi-manager funds.

How the Advance Retirement Suite works

Please note the managed investment options offered may change from time to time and without prior notice to you.



ADVANCE DEFENSIVE MULTI-BLEND FUND ARS

Objective	To provide secure income with a low risk of capital loss over the short to medium term with some capital growth over the long term.
Strategy	The Fund invests in a diverse mix of assets with a majority (about 70%) in the defensive assets of cash and fixed income, and a modest investment (about 30%) in growth assets such as shares. The Fund's exposure to these asset classes will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.
Investment management	<p>AB Custom Alternative Solutions LLS</p> <p>Aberdeen Asset Management Limited</p> <p>Alphinity Investment Management Pty Limited</p> <p>AMP Capital Investors Limited</p> <p>AQR Capital Management, LLC</p> <p>Ardevora Asset Management LLP</p> <p>Bennelong Australian Equity Partners Pty Limited</p> <p>BlackRock Investment Management (Australia) Limited</p> <p>BT Investment Management (Institutional) Limited</p> <p>Celeste Funds Management Limited</p> <p>Contango Asset Management Limited</p> <p>FIL Limited</p> <p>Franklin Templeton Investments Australia Limited</p> <p>Heitman Real Estate Securities LLC</p> <p>Henderson Global Investors (Australia) Institutional Funds Management Limited</p> <p>IMS Funds Management</p> <p>Kapstream Capital Pty Limited</p> <p>Lansdowne Partners (UK) LLP</p> <p>MFS Institutional Advisors, Inc</p> <p>OC Funds Management Limited</p> <p>Phoenix Portfolios Pty Limited</p> <p>Principal Global Investors (Australia) Limited</p> <p>River & Mercantile Asset Management LLP</p> <p>RV Capital Management Private Ltd.</p> <p>Schroder Investment Management Australia Limited</p> <p>Sigma Funds Management Pty Limited</p> <p>Standish Mellon Asset Management Company LLC</p> <p>T. Rowe Price International Ltd</p> <p>Tribeca Investment Partners Pty Limited</p> <p>TT International</p> <p>Wellington Management Australia Pty Ltd</p>
Investment timeframe	3 years +

SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
Equity – Australian Listed	10.95	9	0 – 28
Equity – International Listed	9.34	7	0 – 23
Property – Australian Listed	1.99	2	0 – 23
Property – International Listed	5.97	6	
Commodities – International Listed	1.00	1	0 – 25
Other – International Unlisted (Alternatives)	3.92	10	
Fixed Income – Australian	24.61	25	0 – 29
Fixed Income – International	28.12	25	14 – 54
Cash	14.10	11	7 – 47
Total	100		

ADVANCE MODERATE MULTI-BLEND FUND ARS

Objective	To provide relatively stable total returns (before fees and taxes) over the short to medium term with some capital growth over the long term through a diversified mix of growth and defensive assets.
Strategy	The Fund invests in a mix of defensive assets (around 50%) such as cash and fixed interest and growth assets (around 50%) such as shares and property. The Fund's exposure to these asset classes will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit.
Investment management	<p>AB Custom Alternative Solutions LLS</p> <p>Aberdeen Asset Management Limited</p> <p>Alphinity Investment Management Pty Limited</p> <p>AMP Capital Investors Limited</p> <p>AQR Capital Management, LLC</p> <p>Ardevora Asset Management LLP</p> <p>Bennelong Australian Equity Partners Pty Limited</p> <p>BlackRock Investment Management (Australia) Limited</p> <p>BT Investment Management (Institutional) Limited</p> <p>Celeste Funds Management Limited</p> <p>Contango Asset Management Limited</p> <p>FIL Limited</p> <p>Franklin Templeton Investments Australia Limited</p> <p>Heitman Real Estate Securities LLC</p> <p>Henderson Global Investors (Australia) Institutional Funds Management Limited</p> <p>IMS Funds Management</p> <p>Kapstream Capital Pty Limited</p> <p>Lansdowne Partners (UK) LLP</p> <p>MFS Institutional Advisors, Inc</p> <p>OC Funds Management Limited</p> <p>Phoenix Portfolios Pty Limited</p> <p>Principal Global Investors (Australia) Limited</p> <p>River & Mercantile Asset Management LLP</p> <p>RV Capital Management Private Ltd.</p> <p>Schroder Investment Management Australia Limited</p> <p>Sigma Funds Management Pty Limited</p> <p>Standish Mellon Asset Management Company LLC</p> <p>T. Rowe Price International Ltd</p> <p>Tribeca Investment Partners Pty Limited</p> <p>TT International</p> <p>Wellington Management Australia Pty Ltd</p>
Investment timeframe	4 years +

SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
Equity – Australian Listed	20.82	17.5	0 – 37
Equity – International Listed	18.32	15	0 – 30
Property – Australian Listed	2.30	3	0 – 24
Property – International Listed	6.91	6	
Commodities – International Listed	1.00	1.5	0 – 33
Other – International Unlisted (Alternatives)	3.89	10	
Fixed Income – Australian	17.03	18	0 – 29
Fixed Income – International	20.40	22	9 – 49
Cash	9.33	7	0 – 32
Total	100		

ADVANCE BALANCED MULTI-BLEND FUND ARS

Objective	To provide moderate to high total returns (before fees and taxes) over the medium term from a combination of capital growth and income through a diversified mix of growth and defensive assets.
Strategy	The Fund invests in a diverse mix of assets with both income-producing assets (around 30%) of cash and fixed interest, and growth assets (around 70%) including shares and property. The Fund's exposure to these asset classes will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.
Investment management	<p>AB Custom Alternative Solutions LLS</p> <p>Aberdeen Asset Management Limited</p> <p>Alphinity Investment Management Pty Limited</p> <p>AMP Capital Investors Limited</p> <p>AQR Capital Management, LLC</p> <p>Ardevora Asset Management LLP</p> <p>Bennelong Australian Equity Partners Pty Limited</p> <p>BlackRock Investment Management (Australia) Limited</p> <p>BT Investment Management (Institutional) Limited</p> <p>Celeste Funds Management Limited</p> <p>Contango Asset Management Limited</p> <p>FIL Limited</p> <p>Franklin Templeton Investments Australia Limited</p> <p>Heitman Real Estate Securities LLC</p> <p>Henderson Global Investors (Australia) Institutional Funds Management Limited</p> <p>IMS Funds Management</p> <p>Kapstream Capital Pty Limited</p> <p>Lansdowne Partners (UK) LLP</p> <p>MFS Institutional Advisors, Inc</p> <p>OC Funds Management Limited</p> <p>Phoenix Portfolios Pty Limited</p> <p>Principal Global Investors (Australia) Limited</p> <p>River & Mercantile Asset Management LLP</p> <p>RV Capital Management Private Ltd.</p> <p>Schroder Investment Management Australia Limited</p> <p>Sigma Funds Management Pty Limited</p> <p>Standish Mellon Asset Management Company LLC</p> <p>T. Rowe Price International Ltd</p> <p>Tribeca Investment Partners Pty Limited</p> <p>TT International</p> <p>Wellington Management Australia Pty Ltd</p>
Investment timeframe	5 years +

SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
Equity – Australian Listed	28.92	25	5 – 45
Equity – International Listed	28.49	24	0 – 38
Property – Australian Listed	2.56	3	5 – 25
Property – International Listed	7.68	7	
Commodities – International Listed	2.00	2	1 – 31
Other – International Unlisted (Alternatives)	4.91	10.5	
Fixed Income – Australian	8.07	10	0 – 25
Fixed Income – International	12.12	15	0 – 40
Cash	5.25	3.5	0 – 25
Total	100		

ADVANCE GROWTH MULTI-BLEND FUND

Objective	To provide moderate to high total returns (before fees and taxes) over the medium to long term largely through capital growth by investing in a mix of growth and defensive assets.
Strategy	The Fund invests in a diverse mix of assets with an emphasis (about 85%) on the growth oriented assets of Australian and international shares, and investment (about 15%) in the defensive assets of cash and fixed interest providing some income and stability of returns. The Fund's exposure to these asset classes will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.
Investment management	<p>AB Custom Alternative Solutions LLS Aberdeen Asset Management Limited Alphinity Investment Management Pty Limited AMP Capital Investors Limited AQR Capital Management, LLC Ardevora Asset Management LLP Bennelong Australian Equity Partners Pty Limited BlackRock Investment Management (Australia) Limited BT Investment Management (Institutional) Limited Celeste Funds Management Limited Contango Asset Management Limited FIL Limited Franklin Templeton Investments Australia Limited Heitman Real Estate Securities LLC Henderson Global Investors (Australia) Institutional Funds Management Limited IMS Funds Management Kapstream Capital Pty Limited Lansdowne Partners (UK) LLP MFS Institutional Advisors, Inc OC Funds Management Limited Phoenix Portfolios Pty Limited Principal Global Investors (Australia) Limited River & Mercantile Asset Management LLP RV Capital Management Private Ltd. Schroder Investment Management Australia Limited Sigma Funds Management Pty Limited Standish Mellon Asset Management Company LLC T. Rowe Price International Ltd Tribeca Investment Partners Pty Limited TT International Wellington Management Australia Pty Ltd</p>
Investment timeframe	6 years +

SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
Equity – Australian Listed	34.67	30	10 – 50
Equity – International Listed	36.16	29.5	3 – 43
Property – Australian Listed	2.82	3	0 – 26
Property – International Listed	8.45	8	
Commodities – International Listed	2.02	2.5	5 – 35
Other – International Unlisted (Alternatives)	4.70	13	
Fixed Income – Australian	2.97	5.5	0 – 21
Fixed Income – International	5.02	7	0 – 31
Cash	3.19	1.5	0 – 23
Total	100		

ADVANCE HIGH GROWTH MULTI-BLEND FUND

Objective	To provide superior total returns (before fees and taxes) over the long term through capital growth by investing primarily in growth assets.
Strategy	The Fund invests primarily in growth assets such as Australian and international shares and property. The Fund's exposure to these asset classes will be obtained primarily by investing into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts.
Investment management	<p>AB Custom Alternative Solutions LLS</p> <p>Aberdeen Asset Management Limited</p> <p>Alphinity Investment Management Pty Limited</p> <p>AMP Capital Investors Limited</p> <p>AQR Capital Management, LLC</p> <p>Ardevora Asset Management LLP</p> <p>Bennelong Australian Equity Partners Pty Limited</p> <p>BlackRock Investment Management (Australia) Limited</p> <p>BT Investment Management (Institutional) Limited</p> <p>Celeste Funds Management Limited</p> <p>Contango Asset Management Limited</p> <p>FIL Limited</p> <p>Franklin Templeton Investments Australia Limited</p> <p>Heitman Real Estate Securities LLC</p> <p>Henderson Global Investors (Australia) Institutional Funds Management Limited</p> <p>IMS Funds Management</p> <p>Kapstream Capital Pty Limited</p> <p>Lansdowne Partners (UK) LLP</p> <p>MFS Institutional Advisors, Inc</p> <p>OC Funds Management Limited</p> <p>Phoenix Portfolios Pty Limited</p> <p>Principal Global Investors (Australia) Limited</p> <p>River & Mercantile Asset Management LLP</p> <p>RV Capital Management Private Ltd.</p> <p>Schroder Investment Management Australia Limited</p> <p>Sigma Funds Management Pty Limited</p> <p>Standish Mellon Asset Management Company LLC</p> <p>T. Rowe Price International Ltd</p> <p>Tribeca Investment Partners Pty Limited</p> <p>TT International</p> <p>Wellington Management Australia Pty Ltd</p>
Investment timeframe	7 years +

SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
Equity – Australian Listed	38.98	37	16 – 56
Equity – International Listed	39.08	37	11 – 51
Property – Australian Listed	2.88	3	0 – 25
Property – International Listed	8.64	7	
Commodities – International Listed	1.94	3	7 – 37
Other – International Unlisted (Alternatives)	6.20	13	
Cash	2.28	0	0 – 15
Total	100		

ADVANCE INTERNATIONAL SHARES MULTI-BLEND FUND ARS			
Objective	To provide investors with a total investment return (before fees and taxes) that outperforms the benchmark over periods of five years or longer.		
Benchmark	MSCI World ex Australia (Standard) Index (Net Dividends) in Australian dollars.		
Strategy	The Fund invests in a wide range of international shares listed, or expected to be listed, on world stock exchanges, including emerging markets and across a diverse range of industries.		
Investment management	AQR Capital Management, LLC Ardevora Asset Management LLP Lansdowne Partners (UK) LLP MFS Institutional Advisors, Inc Ramius Alternative Solutions LLC River & Mercantile Asset Management LLP T. Rowe Price International Ltd		
Investment timeframe	5 years +		
SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
International Shares	100	100	95 – 100
Cash	0	0	0 – 5

ADVANCE MONEY MARKET FUND ARS			
Objective	To provide investors with a total investment return (before fees and taxes) that outperforms the benchmark over one year, maintaining liquidity, avoiding unnecessary risk and therefore seeking to maintain capital value.		
Benchmark	Bloomberg AusBond Bank Bill IndexSM		
Strategy	The Fund invests in various types of money market and short dated Australian fixed interest securities and instruments. Liquidity, credit and duration risks are managed by analysing the monetary policy cycle and other economic factors.		
Investment management	BT Investment Management (Institutional) Limited IMS Funds Management		
Investment timeframe	1 year +		
SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
Cash	100	100	100

ADVANCE AUSTRALIAN SHARES FUND ARS			
Objective	To provide investors with a total investment return (before fees and taxes) that outperforms the benchmark over periods of five years or longer.		
Benchmark	S&P/ASX 300 Accumulation Index		
Strategy	The Fund invests in a wide range of Australian shares listed or expected to be listed, on the Australian Securities Exchange.		
Investment management	Alphinity Investment Management Pty Limited Bennelong Australian Equity Partners Pty Limited BT Investment Management (Institutional) Limited Celeste Funds Management Limited Contango Asset Management Limited FIL Limited OC Funds Management Limited Schroders Investment Management Australia Limited Sigma Funds Management Pty Limited Tribeca Investment Partners Pty Limited		
Investment timeframe	5 years +		
SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
Australian Shares	100	100	95 – 100
Cash	0	0	0 – 5

ADVANCE AUSTRALIAN GEARED EQUITY FUND

Objective	To provide magnified long-term capital growth by borrowing to invest in securities listed, or expected to be listed, on the Australian Stock Exchange. The Fund aims to provide investors with a total investment return (before fees and taxes) that outperforms the S&P/ASX 200 Accumulation Index over periods of five years or longer.		
Strategy	To invest in a wide range of Australian shares listed, or expected to be listed, on the Australian Securities Exchange. Currently it is intended that the Fund's strategy be implemented by investing in the Maple-Brown Abbott Sharemarket Fund. Most of the investment will comprise companies in the S&P/ASX 200 Index.		
Investment management	Maple-Brown Abbott		
Investment timeframe	5 years +		
SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
Australian Shares	100	100	95 – 100
Cash	0	0	0 – 5

ADVANCE CONCENTRATED AUSTRALIAN SHARE FUND (TERMINATED OCTOBER 2015)

Objective	To provide strong medium to long-term capital growth from a diversified portfolio of Australian shares. The Fund aims to provide investors with a total investment return (before fees and taxes) that outperforms the S&P/ASX 200 Accumulation Index by greater than 4.5% pa over periods of five years or longer.		
Strategy	To invest in a wide range of Australian shares listed, or expected to be listed, on the Australian Securities Exchange.		
Investment management	Alleron Investment Management Limited		
Investment timeframe	5 years +		
SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
Australian Shares	0	98.28	95 – 100
Cash	100	1.72	0 – 5

ADVANCE ASIAN SHARES MULTI-BLEND FUND (SUPER ONLY)

Objective	To provide investors with a total return (before fees and taxes) that outperforms the benchmark over periods of five years or longer.		
Benchmark	MSCI AC Asia ex-Japan Index in Australian dollars.		
Strategy	The Fund invests in a diverse range of securities listed, or expected to be listed, on World Stock Exchanges excluding Japan, across a diverse range of industries. The Fund is typically unhedged.		
Investment management	TT International Wellington International Management Company Pty Limited		
Investment timeframe	5 years +		
SECTOR	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE(%)
Australian Shares	100	100	90 – 100
Cash	0	0	0 – 10

Investments exceeding 5%

The following investments exceeded more than 5% of the Retirement Suite's total assets at 30 June 2016:

DIRECT ASSETS	%	INDIRECT ASSETS	%
Advance Balanced Multi-Blend Fund	53	Advance Australian Shares Multi-Blend Fund	19
Advance Australian Shares Multi-Blend Fund	17	BT Wholesale Multi-manager International Share Fund	12
Advance Defensive Multi-Blend Fund	13	Advance International Shares Multi-blend Fund	8
Advance Money Market Fund	6	Advance Australian Fixed Interest Multi-blend Fund	14
		BT Wholesale Partner International Shares Core 1	6
		Advance International Fixed Interest Multi-blend Fund	5
		BT Institutional International Share Interfund	5

There are no further combinations of investments that the Trustee knows or ought reasonably to know are invested, directly or indirectly, in a single enterprise or single group of associated enterprises and that have a combined value in excess of 5% of the total assets of the Retirement Suite.

Understanding the risks of investing

No matter which Investment Option you choose to invest in, there will always be some level of investment risk. The variability of returns is known as investment risk. Generally, the higher level of risk you are prepared to accept, the higher the potential returns, or losses.

Risk can be managed and even minimised, but not eliminated and there's always a chance you may lose money on any investments you make. You should be aware of these risks when investing and understand that not all risks are foreseeable.

Some common types of investment risks are outlined in the table below.

RISK TYPE	DESCRIPTION OF RISK
Market risk	Markets are subject to a host of factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues. Market risk may have different impacts on each investment and investment style in that market at different times.
Security specific risk	An investment in a company may be affected by unexpected changes in that company's operations (such as changes in management or loss of a big customer) and business environment.
International investments risk	Investing internationally in one of the major asset classes will give exposure to different or potentially greater risks that are not associated with investing in Australia. International investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in foreign currency and interest rates, and more volatile, less liquid markets.
Currency risk	For investments in international assets, a rise in the Australian dollar relative to other currencies, may negatively impact investment values and returns.
Interest rate risk	Changes in interest rates can have a direct or indirect impact on the investment value and/or returns of all types of assets. Interest rates may affect a company's cost of borrowings as well as the value of fixed interest securities.
Credit risk	Credit risk refers to a risk of loss arising from the failure of a borrower or other party to a contract to meet its obligations. This may arise in securities such as derivatives, fixed interest securities and mortgage securities.
Liquidity risk	This is the risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay because of either inadequate market depth or disruptions in the market place. Securities of small companies in particular may, from time-to-time, and especially in falling markets, become less liquid.
Derivative risk	The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Potential gains and losses from derivative transactions can be substantial.

Other important information

Earnings paid to your account

Earnings, in the form of capital growth, income distributions or dividends, received from your investments are credited to your account. Your investment earnings will depend on the performance of the investments you choose and the amount of money invested in each.

Gains and losses are reflected through changes in the value (unit price) of your investments. Distribution payments from your investments are credited to your account when received.

Use of derivative financial instruments

The Accounts are not directly exposed to, or involved in, the use of derivative financial instruments. The investment strategy of the Accounts is not to enter, hold or issue derivative financial instruments for trading purposes. However, the Advance managed investments available through the Accounts are permitted to invest in options, futures and other derivative contracts and may use some hedging to help protect the market value of their investments. This may have a positive or negative effect on the value of these investments.

The International Shares Multi-Blend Fund may seek to add value by actively investing in currencies. As a result, the total currency position of this Fund may vary over time. For the Advance Australian Geared Equity Fund, derivatives are permitted to be used to leverage (or gear) the Fund as an alternative to borrowings. For further information, please refer to the PDS for the relevant managed investment.

Investor Online

Investor *Online* is fast and secure, and gives you access to the information you need to know about your account online, such as account balances, investments held, transaction details, insurance details and asset allocation.

You can also:

- > change your address, contact and email details
- > change your PIN
- > submit your Tax File Number
- > download the Product Disclosure Statement (PDS)
- > access all your Investor Reports
- > download a range of forms
- > view tax and distribution information.

Using your account number and Personal Identification Number (PIN), your account information is available in an easy-to-read format by visiting advance.com.au and logging

on to Investor *Online*. If you've forgotten your Investor *Online* PIN, or have any other questions about Investor *Online*, email investorservices@advance.com.au or call our Customer Relations team.

Providing information to you electronically

We're progressively increasing the range of reporting, transaction and product information you can access electronically through Investor *Online*.

Through Investor *Online* you can access PDSs for the investments in your portfolio electronically. We'll also provide you with the following information electronically.

- > Notifications of any adverse changes and significant adverse events affecting your managed investments.
- > Notice of any proposal to introduce new fees and/or other costs, or to increase current fees or costs, affecting your account. This includes notice of our intention to receive and retain, as an additional fee for its services, any rebate, fee, commission or other payment in relation to an investment in your account.
- > This Annual Report.

We may also use Investor *Online* in the future to provide you with any information (including Investor Reports) which may be sent, given or made available to you, under the trust deed or superannuation law.

You will of course also continue to have access to all of this information through your financial adviser and we may still choose to send some or all of this information to you. Additionally, unless you've previously agreed to receive this information and other notifications electronically, you can ask us to send the required information to you in paper form free of charge, by contacting us in advance and placing yourself on our paper distribution list.

Closed accounts

Under the trust deed, if an amount is received for a former member (with a closed account), the trustee is able to determine that the member is not entitled to some, or all, of that amount.

Accordingly, the trustee has determined that former members will not be entitled to all amounts less than \$50 credited to their closed accounts and these amounts will be applied for the general benefit of all current members of the fund.

Refund of contributions tax as an anti-detriment payment

Tax law allows the trustee to calculate an increased amount, known as an 'anti-detriment' payment, to be paid when a death benefit payment is made to a beneficiary who was a spouse, former spouse or child of the member.

An 'anti-detriment' payment represents a refund of contributions tax paid on all contributions made to the fund by the member since joining the Advance Retirement Suite.

Note that an 'anti-detriment' payment cannot be paid if the death benefit is paid as a pension.

We've established a provision to facilitate these refunds. At 30 June 2016, the amount held in this provision was \$50,000 (2015: \$48,000, 2014: \$39,380). We manage the provision by holding it in cash, as the liquidity is needed to ensure refunds can readily be made on an ongoing basis.

Eligible rollover fund

SuperTrace Eligible Rollover Fund (ABN 73 703 878 235) (SuperTrace) is currently our nominated Eligible Rollover Fund. We may transfer your benefits to SuperTrace if the value of your account is less than \$2,000 and we are not obliged to forward your balance to the ATO under the unclaimed money laws.

If your benefits are transferred into SuperTrace:

- > you will no longer be a member of the Advance Retirement Suite and any insurance cover you may have held through us will cease on the date of transfer
- > no further contributions may be made to your account
- > you will not be able to make contributions to SuperTrace
- > you will not have any investment choice – the trustee of SuperTrace will nominate the investment strategy that will apply, and
- > the trustee of SuperTrace must ensure that all benefits are subject to its governing rules and the superannuation law, irrespective of the size of the benefit.

Refer to the SuperTrace product disclosure statement for more information on SuperTrace which you should receive shortly after the time that your benefits are transferred.

For further information speak to your financial adviser or contact:

SuperTrace Eligible Rollover Fund

Locked Bag 5429

Parramatta NSW 2124

Telephone: 1300 788 750

Professional indemnity insurance

As trustee of the Advance Retirement Suite, BTFM is responsible for the day-to-day administration and ensuring it complies with all relevant laws and the provisions of the trust deed. To cover any potential liabilities, BTFM has taken out professional indemnity insurance.

Temporary residents

A temporary resident is a holder of a temporary visa under the Migration Act 1958.

From 1 April 2009, if you are, or were, a temporary resident and are not an Australian citizen, New Zealand citizen or permanent resident of Australia, or a holder of a retirement visa (Subclass 405 or 410), you can generally only access your preserved super benefits if you become permanently incapacitated, have a terminal medical condition, or have departed Australia permanently and your visa has ceased, or your beneficiaries may access your benefits if you die. You may also be able to access your benefit if you satisfied another condition of release under superannuation law before 1 April 2009.

The Australian Government also requires us to pay temporary residents' unclaimed super to the ATO after at least six months have passed since the later of:

- > the date a temporary resident's visa ceased to be in effect and
- > the date a temporary resident permanently left Australia.

Applications to claim your benefit can be made using the ATO Departing Australia Superannuation Payment ('DASP') online application system. To access this system and full information regarding DASP procedures and current tax rates visit ato.gov.au.

We are permitted under, and rely on, ASIC relief under Class Order CO 09/437 to not notify or provide an exit statement to a non-resident in circumstances where we pay unclaimed superannuation to the ATO under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999.

Enquiries and complaints

Further financial information, including information about fees and charges and other effects arising from a rollover or transfer of your benefit entitlements, not contained in this Annual Report, is available on request.

If you have any enquiries or complaints about the operation or management of one of the Accounts, please let us know.

Telephone

1800 819 935

Fax

08 9481 4318

Email

investorservices@advance.com.au

Mail

Advance
GPO Box B87
Perth WA 6838

We'll advise you if there is a charge for any information requested.

We'll acknowledge any complaint in writing within five business days and respond in writing within 45 days. If you're not satisfied with our actions, you can contact our Complaints Officer on the above number or address.

If a complaint has not been resolved within 45 days or you're not satisfied with the decision, you may contact the Superannuation Complaints Tribunal (SCT) – an independent complaints resolution scheme whose decisions are binding on us.

If you've made a complaint to us about a decision which affects you, and your complaint has not been resolved to your satisfaction, you may have a right to lodge a complaint about the decision with the Superannuation Complaints Tribunal.

The Tribunal is a body established by the Commonwealth Government to review trustee decisions relating to members (as opposed to trustee decisions relating to the management of the fund as a whole).

The contact details for the SCT are:

Superannuation Complaints Tribunal,
Locked Bag 3060
GPO Melbourne VIC 3001

Telephone: 1300 884 114

Financial information

The Advance Retirement Suite

As permitted under the Corporations Act, abridged financial information of the fund is included in this annual report. You can request a copy of the audited financial statements and auditor's report at any time by contacting Advance on 1800 819 935.

THE ADVANCE RETIREMENT SUITE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2016		
	2016 \$'000	2015 \$'000
Investments income		
Distribution income	10,736	7,084
Changes in net market value of investments	(14,103)	9,501
Other investment income	6	4
	(3,361)	16,589
Contributions revenue		
Members' contributions	1,166	1,775
Employers' contributions	5,323	5,823
Transfers from other funds	506	1,339
	6,995	8,937
Other revenue		
Proceeds from insurance policies	332	542
	332	542
General administration expenses		
Trustee's fees	472	530
Insurance premiums	729	629
Other expenses	175	639
	1,376	1,798
Benefits accrued as a result of operations before income tax	2,590	24,270
Income tax expense/(benefit)	(121)	51
Benefits accrued as a result of operations after income tax	2,711	24,219

THE ADVANCE RETIREMENT SUITE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016		
	2016 \$'000	2015 \$'000
Assets		
Investments		
Cash and cash equivalents	593	884
Unlisted unit trusts	263,784	299,966
Total investments	264,377	300,850
Other assets		
Receivables	732	411
Tax refund due	145	356
Deferred tax asset	3,411	3,544
	4,288	4,311
Total assets	268,665	305,161
Liabilities		
Payables	275	753
Total liabilities	275	753
Net assets available to pay benefits	268,390	304,408
Represented by:		
Liability for accrued benefits		
Allocated to members' accounts	264,979	300,864
Unallocated to members' accounts	3,411	3,544
	268,390	304,408

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Advance Asset Management, **GPO Box B87, Perth WA 6838**

Customer Relations 1800 819 935 Adviser Services 1300 361 864

Email investorservices@advance.com.au Fax (08) 9481 4318

advance.com.au

ADVANCE
ASSET MANAGEMENT

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