

ADVANCE RETIREMENT SUITE –
PERSONAL SUPER
ALLOCATED PENSION

Annual Report for the year ended 30 June 2019

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



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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 open or 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.

Introduction

We're pleased to present the Annual Report for the Accounts at 30 June 2019. 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 our Customer Relations team by calling 1800 819 935 or emailing investorservices@advance.com.au

Recent developments in superannuation

2019/20 superannuation thresholds

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

Concessional contributions cap	\$25,000¹
Non-concessional contributions cap	\$100,000²
Capital Gains Tax (CGT) cap (lifetime limit)	\$1,515,000
Government Co-contributions	
– Maximum co-contribution ³	\$500
– Lower threshold	\$38,564
– Upper threshold (cut off)	\$53,564
Superannuation Guarantee (SG) rate⁴	9.5%
Low rate cap	\$210,000

1 From 1 July 2019 members with a total super balance less than \$500,000 at the end of the previous financial year can carry forward unused concessional cap amounts that accrue from 1 July 2018 onwards, for up to five financial years.

2 if you were under age 65 on 1 July 2019 and satisfy other conditions you may be able to make larger non-concessional contributions over two or three financial years. Once your total super balance has reached \$1.6 million, your non-concessional contribution cap will be nil. Your total super balance is assessed at 30 June of the previous financial year.

3 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.

4 The SG rate is currently 9.5% where it will 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.

Catch-up concessional contributions

From 1 July 2019, if an eligible individual contributes less than the concessional contribution cap, the unused amount accrued from 1 July 2018 may be carried forward for up to five years.

This allows additional pre-tax contributions to be made in future years that would have otherwise exceeded the cap.

To be eligible, an individual's total super balance as at 30 June of the previous financial year must be less than \$500,000. For individuals with multiple super accounts, the total of all accounts combined must be less than \$500,000. For more information go to ato.gov.au.

Super contributions – work test exemption

Generally, individuals aged between 65 and 74 need to meet a work test to make personal contributions to super.

The work test means that an individual must be 'gainfully employed' for at least 40 hours in any 30 consecutive day period in the financial year in which the super contribution is made.

From 1 July 2019, individuals aged 65 to 74 may receive an exemption from the work test if they met it in the previous financial year and their total super balance was less than \$300,000 at 30 June in the same year. This means individuals over 65 may be able to make additional contributions to super in the financial year after they retire. The work test exemption can only be used once in an individual's lifetime.

Protecting Your Superannuation package

The Protecting Your Superannuation package is designed to help protect and grow super. It aims to ensure fees and insurance premiums in super aren't unnecessarily eroding retirement savings. The changes include:

- > a ban on exit fees for account closures and partial withdrawal of monies
- > a 3% cap on administration and investment-related fees for accounts under \$6,000
- > ceasing insurance cover within super where an account becomes inactive
- > the transfer of inactive accounts under \$6,000 to the Australian Tax Office (ATO).

Fee cap and ban on exit fees

Commencing from the 2019/20 financial year, if an individual's super balance is below \$6,000 on 30 June of the financial year, any administration and investment fees, including indirect costs, charged to their super account for the financial year greater than 3% of the balance will be refunded to their super account. If the super account balance is less than \$6,000 immediately before it's closed, the 3% fee cap will also apply on a pro-rata basis.

In addition, from 1 July 2019 exit fees will no longer be charged if an individual withdraws all or part of their super account.

Ceasing insurance cover within super for inactive accounts

If an individual's super account has insurance and the account remains 'inactive' for 16 months, the insurance may be cancelled unless the individual nominates to keep it. An 'inactive' account is where no contributions or rollovers have been received for a continuous period of 16 months.

Please note, if you're impacted by this change, we'll let you know before your account is considered 'inactive' and provide details of the insurance cover you hold through super and the choices available to you.

Inactive low balance accounts transferred to the ATO

From 30 June 2019, we may be required to transfer an individual's super account to the ATO if the account balance is below \$6,000 and the account hasn't received a contribution or rollover for a continuous 16 month period.

Generally, a super account won't be transferred to the ATO if in the last 16 months an individual has:

- > Made an investment switch
- > Made or amended a binding beneficiary nomination
- > Made changes to their insurance or
- > Provided us a written authority to notify the ATO that they are not a member of an inactive low-balance account.

If an individual has insurance provided via their super account, has met a prescribed condition of release or the account is a pension account, including transition to retirement income stream, their account will not be transferred to the ATO.

If an individual's super is transferred to the ATO, the ATO may automatically pay the amount into their current super account.

Putting Members Interests First – Insurance

From 1 April 2020, super funds can only provide insurance in super on an 'opt-in' basis for new members under age 25 and accounts with balances less than \$6,000. This means that insurance cover cannot be provided automatically to new fund members where they join with a nil balance regardless of age.

These new requirements are in addition to the requirements prohibiting trustees from offering insurance on an opt-out basis for super accounts that have not received a contribution or rollover for a continuous 16 month period.

Multiple employers – SG opt-out

Individuals with multiple employers, who expect their employer's SG contributions will exceed their concessional contributions cap for a financial year, can apply for an exemption certificate to release some of their employers from their SG obligations. Individuals must apply to the ATO before the relevant cut-off dates using the ATO approved form available from the ATO. For more information visit ato.gov.au.

Grandfathered commissions

All managed investment and superannuation commissions that are currently paid to financial services licensees in relation to financial advice provided to retail clients will be banned from 1 January 2021. This measure was recommended as part of the Royal Commission into Banking, Superannuation and Financial Services Industry.

Employers SG Obligations

From 1 January 2020, employers will no longer be able to use an employee's salary sacrifice contributions in order to satisfy their employer SG obligations.

Proposed changes to superannuation

Choice of super fund extended

Currently employees covered under enterprise agreements and workplace determinations, may not have the option to elect which super fund they want their employer super contributions to be paid. The Government has proposed to remove this restriction allowing employees the right to choice of fund.

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.

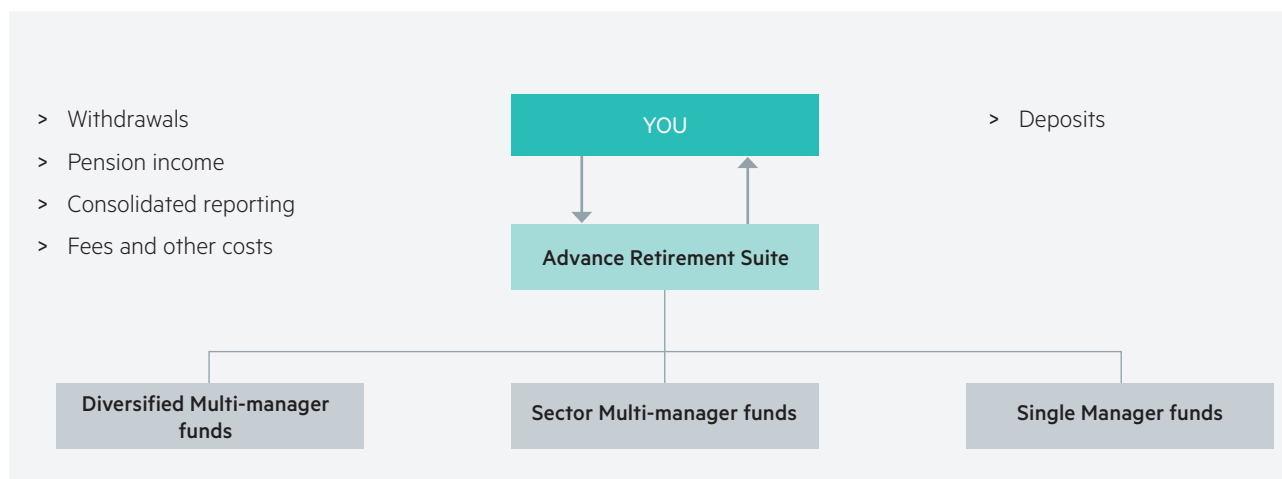
Investment Option profiles

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 2019, 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>AMP Capital Investors Limited</p> <p>AQR Capital Management, LLC</p> <p>Ardevora Asset Management LLP</p> <p>BlackRock Investment Management (Australia) Limited</p> <p>Mellon Investments Corporation</p> <p>FIL Investment Management (Australia) Limited</p> <p>Heitman Real Estate Securities LLC</p> <p>Janus Henderson Investors (Australia) Institutional Funds Management Limited</p> <p>Kapstream Capital Pty Limited</p> <p>Nikko AM Limited</p> <p>Pendal Institutional Limited</p> <p>Phoenix Portfolios Pty Limited</p> <p>PIMCO Australia Pty Ltd</p> <p>Principal Global Investors (Australia) Limited</p> <p>Realindex Investments Pty Ltd</p> <p>River & Mercantile Asset Management LLP</p> <p>RV Capital Management Private Ltd</p> <p>Solaris Investment Management Limited</p> <p>TCW Asset Management Company LLC</p> <p>TT International</p> <p>TwentyFour Asset Management Limited LLP</p> <p>T. Rowe Price International Ltd</p> <p>Vinva Investment Management Limited</p> <p>Wellington Management Australia Pty Ltd</p> <p>Western Asset Management Company Pty Ltd</p>
Investment timeframe	3 years +

ASSET CLASS AS AT 30 JUNE 2019	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE (%)
Equity – Australian Listed	10.99	11	0-31
Equity – International Listed	12.06	11	0-31
Property – Australian Listed	1.89	2	0-20
Property – International Listed	5.45	2	
Property International unlisted	0	1	
Infrastructure - unlisted	0	2	0-17
Commodities	1	1	0-6
Other – Growth Alternatives	0	1.50	0-22
Other – Defensive Alternatives	3.32	5.50	
Fixed Income – Australian	23.24	22	2-42
Fixed Income – International	28.32	27	7-47
Cash	13.73	14	0-34
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	BlackRock Investment Management (Australia) Limited Mellon Investments Corporation FIL Investment Management (Australia) Limited Heitman Real Estate Securities LLC Janus Henderson Investors (Australia) Institutional Funds Management Limited Kapstream Capital Pty Limited Nikko AM Limited Pendal Institutional Limited Phoenix Portfolios Pty Limited PIMCO Australia Pty Ltd Principal Global Investors (Australia) Limited Realindex Investments Pty Ltd River & Mercantile Asset Management LLP RV Capital Management Private Ltd Solaris Investment Management Limited TCW Asset Management Company LLC TT International TwentyFour Asset Management Limited LLP T. Rowe Price International Ltd Vinva Investment Management Limited Wellington Management Australia Pty Ltd Western Asset Management Company Pty Ltd
Investment timeframe	4 years +

ASSET CLASS AS AT 30 JUNE 2019	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE (%)
Equity – Australian Listed	18.64	19	0–39
Equity – International Listed	21.55	21	0–41
Property – Australian Listed	2.34	2	0–21
Property – International Listed	7.03	2	
Property International unlisted	0	2	
Infrastructure – unlisted	0	3	0–18
Commodities	1	1	0–6
Other – Growth Alternatives	0	1.50	0–22
Other – Defensive Alternatives	3.49	5.50	
Fixed Income – Australian	17.52	15	0–35
Fixed Income – International	18.69	19	0–39
Cash	9.74	9	0–29
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>AMP Capital Investors Limited</p> <p>AQR Capital Management, LLC</p> <p>Ardevora Asset Management LLP</p> <p>BlackRock Investment Management (Australia) Limited</p> <p>Mellon Investments Corporation</p> <p>FIL Investment Management (Australia) Limited</p> <p>Heitman Real Estate Securities LLC</p> <p>Janus Henderson Investors (Australia) Institutional Funds Management Limited</p> <p>Kapstream Capital Pty Limited</p> <p>Nikko AM Limited</p> <p>Pendal Institutional Limited</p> <p>Phoenix Portfolios Pty Limited</p> <p>PIMCO Australia Pty Ltd</p> <p>Principal Global Investors (Australia) Limited</p> <p>Realindex Investments Pty Ltd</p> <p>River & Mercantile Asset Management LLP</p> <p>RV Capital Management Private Ltd</p> <p>Solaris Investment Management Limited</p> <p>TCW Asset Management Company LLC</p> <p>TT International</p> <p>TwentyFour Asset Management Limited LLP</p> <p>T. Rowe Price International Ltd</p> <p>Vinva Investment Management Limited</p> <p>Wellington Management Australia Pty Ltd</p> <p>Western Asset Management Company Pty Ltd</p>
Investment timeframe	5 years +

ASSET CLASS AS AT 30 JUNE 2019	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE (%)
Equity – Australian Listed	26.03	26	6–46
Equity – International Listed	33.22	32	12–52
Property – Australian Listed	2.66	2	0–22
Property – International Listed	7.69	3	
Property International unlisted	0	2	
Infrastructure – unlisted	0	3	0–18
Commodities	1.99	2	0–7
Other – Growth Alternatives	0	1	0–22
Other – Defensive Alternatives	4.11	6	
Fixed Income – Australian	6.03	6	0–26
Fixed Income – International	12.92	12	0–32
Cash	5.35	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>AMP Capital Investors Limited</p> <p>AQR Capital Management, LLC</p> <p>Ardevora Asset Management LLP</p> <p>BlackRock Investment Management (Australia) Limited</p> <p>Mellon Investments Corporation</p> <p>FIL Investment Management (Australia) Limited</p> <p>Heitman Real Estate Securities LLC</p> <p>Janus Henderson Investors (Australia) Institutional Funds Management Limited</p> <p>Kapstream Capital Pty Limited</p> <p>Nikko AM Limited</p> <p>Pendal Institutional Limited</p> <p>Phoenix Portfolios Pty Limited</p> <p>PIMCO Australia Pty Ltd</p> <p>Principal Global Investors (Australia) Limited</p> <p>Realindex Investments Pty Ltd</p> <p>River & Mercantile Asset Management LLP</p> <p>RV Capital Management Private Ltd</p> <p>Solaris Investment Management Limited</p> <p>TCW Asset Management Company LLC</p> <p>TT International</p> <p>TwentyFour Asset Management Limited LLP</p> <p>T. Rowe Price International Ltd</p> <p>Vinva Investment Management Limited</p> <p>Wellington Management Australia Pty Ltd</p> <p>Western Asset Management Company Pty Ltd</p>
Investment timeframe	6 years +

ASSET CLASS AS AT 30 JUNE 2019	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE (%)
Equity – Australian Listed	32.07	32	12–52
Equity – International Listed	40.76	40	20–60
Property – Australian Listed	2.86	2	0–23
Property – International Listed	8.27	3	
Property International unlisted	0	3	
Infrastructure - unlisted	0	3	0–18
Commodities	1.97	2	0–7
Other – Growth Alternatives	0	1	0–21
Other – Defensive Alternatives	3.34	5	
Fixed Income – Australian	1.99	2	0–22
Fixed Income – International	4.94	4	0–24
Cash	3.80	3	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>AMP Capital Investors Limited</p> <p>AQR Capital Management, LLC</p> <p>Ardevora Asset Management LLP</p> <p>BlackRock Investment Management (Australia) Limited</p> <p>Mellon Investments Corporation</p> <p>FIL Investment Management (Australia) Limited</p> <p>Heitman Real Estate Securities LLC</p> <p>Janus Henderson Investors (Australia) Institutional Funds Management Limited</p> <p>Kapstream Capital Pty Limited</p> <p>Nikko AM Limited</p> <p>Pendal Institutional Limited</p> <p>Phoenix Portfolios Pty Limited</p> <p>PIMCO Australia Pty Ltd</p> <p>Principal Global Investors (Australia) Limited</p> <p>Realindex Investments Pty Ltd</p> <p>River & Mercantile Asset Management LLP</p> <p>RV Capital Management Private Ltd</p> <p>Solaris Investment Management Limited</p> <p>TCW Asset Management Company LLC</p> <p>TT International</p> <p>TwentyFour Asset Management Limited LLP</p> <p>T. Rowe Price International Ltd</p> <p>Vinva Investment Management Limited</p> <p>Wellington Management Australia Pty Ltd</p> <p>Western Asset Management Company Pty Ltd</p>
Investment timeframe	7 years +

ASSET CLASS AS AT 30 JUNE 2019	ACTUAL ALLOCATION (%)	TARGET SAA (%)	SAA RANGE (%)
Equity – Australian Listed	40.14	40	20–60
Equity – International Listed	43.70	44	24–64
Property – Australian Listed	3.02	3	0–24
Property – International Listed	8.73	3	
Property International unlisted	0	3	
Infrastructure - unlisted	0	3	0–18
Commodities	1.96	2	0–7
Other – Growth Alternatives	0	0	0–15
Other – Defensive Alternatives	0	0	
Cash	2.45	2	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 River & Mercantile Asset Management LLP T. Rowe Price International Ltd Wellington Management Australia Pty 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 Index SM		
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	Pental Institutional Limited BlackRock Investment Management (Australia) Limited		
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	FIL Investment Management (Australia) Limited Nikko AM Limited Pental Institutional Limited Platypus Asset Management Pty Limited Realindex Investments Pty Limited Solaris Investment Management Limited Vinva Investment Management 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

Investments exceeding 5%

The following investments exceeded 5% of the Retirement Suite's total assets at 30 June 2019:

DIRECT ASSETS	%	INDIRECT ASSETS	%
Advance Balanced Multi-Blend Fund	53	Advance Australian Shares Multi-Blend Fund	17
Maple-Brown Abbott Sharemarket Fund	20	BT Wholesale Multi-Manager International Share Fund	13
Advance Defensive Multi-Blend Fund	11	Pendal International Share Interfund	13
		Advance International Shares Multi-Blend	10
		Advance Australian Fixed Interest Multi-Blend Fund	10
		Advance International Fixed Interest Multi-Blend Fund	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 electronically access through Investor *Online*.

Through Investor *Online* you can electronically access PDSs for the investments in your portfolio. 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.

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 www.ato.gov.au.

We are permitted under, and rely on, ASIC relief under Instrument 2019/873 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 Australian Financial Complaints Authority (AFCA) – an independent dispute resolution scheme for financial services.

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001

Financial information

The Advance Retirement Suite

As permitted under the *Corporations Act 2001*, abridged financial information of the Account 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.

ADVANCE RETIREMENT SUITE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2019		
	2019	2018
	\$'000	\$'000
Superannuation activities		
Distribution income	10,322	21,129
Net gains/(losses) on financial instruments held at fair value through profit or loss	3,417	(698)
Other income	611	13
Total net income	14,350	20,444
Trustee's fees	339	377
Other expenses	113	126
Total expenses	452	503
Profit/(loss) from superannuation activities before income tax	13,898	19,941
Income tax expense/(benefit)	(519)	(1,233)
Profit/(loss) from superannuation activities after income tax	14,417	21,174
Less: net benefits allocated to members' accounts	(14,417)	(21,174)
Profit/(loss) after income tax	-	-

ADVANCE RETIREMENT SUITE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019		
	2019	2018
	\$'000	\$'000
Assets		
Cash and cash equivalents	1,020	1,285
Unsettled sales	475	405
Receivables	3	2
Financial assets held at fair value through profit or loss	240,566	254,153
Tax refund due	170	–
Deferred tax assets	1,941	2,371
Total assets	244,175	258,216
Liabilities		
Payables	218	208
Income tax payable	–	101
Total liabilities (excluding member benefits)	218	309
Net assets available for member benefits	243,957	257,907
Member benefits	242,016	255,536
Total net assets	1,941	2,371
Equity		
Unallocated benefits	1,941	2,371
Total equity	1,941	2,371

ADVANCE RETIREMENT SUITE STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$'000	\$'000
Opening balance of member benefits	255,536	259,890
Employer contributions	4,194	4,606
Member contributions	1,143	1,275
Transfers from other funds	693	819
Superannuation co-contributions	72	90
Income tax on net contributions	(624)	(614)
Net after tax contributions	5,478	6,176
Benefit payments	(33,636)	(31,451)
Insurance premiums charged to members' accounts	(560)	(573)
Insurance benefits credited to members' accounts	383	378
Adviser fees	(32)	(92)
Net benefits allocated to members' accounts, comprising:		
Net benefits allocated to members' accounts	14,417	21,174
Transfer from reserve	430	34
Closing balance of member benefits	242,016	255,536

ADVANCE RETIREMENT SUITE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019		
	2019	2018
	\$'000	\$'000
Unallocated benefits		
Opening balance	2,371	2,405
Net transfers to/(from) reserves	(430)	(34)
Closing balance	1,941	2,371

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

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

advance.com.au

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