



# Annual Report 2019



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## Important

This Annual Report has been prepared by Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733, RSE L0001441) (Trustee) which is the trustee of the Australian Ethical Retail Superannuation Fund (ABN 49 633 667 743, USI AET0100AU) (Fund). Australian Ethical Investment Ltd (ABN 47 003 188 930, AFSL 229949) (Australian Ethical) offers to arrange for the issue of interests in the Fund, pursuant to an arrangement between Australian Ethical and the Trustee. The Trustee issues interests in the Fund in accordance with such offers, where the offer is accepted.


The information in this Annual Report is up-to-date at the time of preparation. However, information in this Annual Report is subject to change from time to time. Updated information can be obtained by contacting your financial adviser, going to our website or calling us on 1300 134 337. You may request a paper copy of this Annual Report and any updated information at any time, free of charge.

Information in this Annual Report is general information only and does not take into account your personal financial situation or needs. You should consider obtaining financial advice that is tailored to suit your personal circumstances.

## Contact us

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For over 30 years we have been true to our Ethical Charter. Our employees, our clients and our shareholders choose us because:

We are  
**FOSSIL-FUEL  
FREE<sup>1</sup>**

We are  
**TOBACCO  
FREE**

We are  
**NUCLEAR  
WEAPONS  
FREE**

**WE DO** invest in sustainable, future-building businesses

**WE PRIDE** ourselves on our ethical business practices

**WE ACTIVELY ENGAGE** with businesses to advocate for positive change

**WE OFFER** a comprehensive range of investment options catering to all risk appetites

**WE DONATE** 10% of our yearly profits<sup>2</sup> to the Australian Ethical Foundation

1. Since 1 July 2016 we have been free from all companies whose main business is fossil fuels, as well as diversified companies that earn some fossil fuel revenue and aren't creating positive impact with their other activities. We may invest in a diversified company which is having a positive impact in other ways such as producing renewable energy, provided its fossil fuel revenue is sufficiently low (a maximum of 5% to 33% depending on the fuel).

2. After tax and before bonuses.



# Super investment options

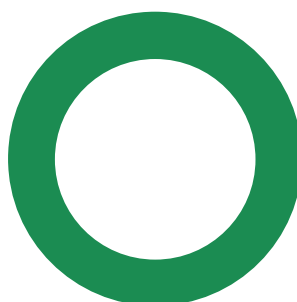
Asset allocations (%) to 30 June 2019

## Super (accumulation)

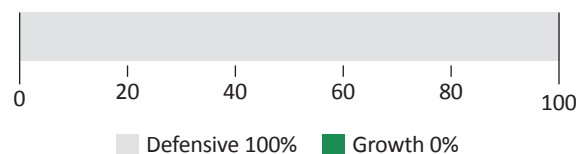
Further information regarding the investment strategy and strategic asset allocations of each of the investment options can be found in the Additional Information Booklet which is located at [australianethical.com.au/super/pds](http://australianethical.com.au/super/pds) or by calling us to request a free copy.

### Defensive option

■ Cash 100%



Asset type	Range %
Interest-bearing investments	90-100
Cash	0-10



Investment objective

To provide members with a portfolio focused on preservation of capital through low risk income generating investments.

Investors that the option may suit

Members wanting a low risk of capital loss and low volatility with a short investment timeframe.

Recommended minimum investment timeframe

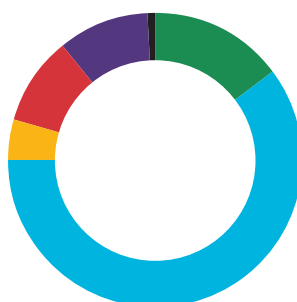
1 year

Risk Level<sup>^</sup>

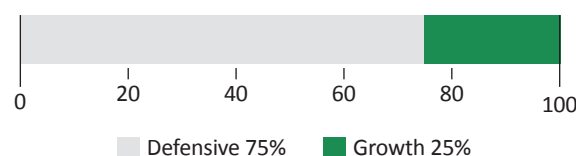
Very low

### Conservative option

■ Cash 14.75%  
■ Interest-bearing securities 60.27%  
■ Property 4.43%  
■ International Shares 9.74%  
■ Australian & New Zealand Shares 10.13%  
■ Alternatives 0.67%



Asset type	Range %
Interest-bearing investments & Cash	20-100
Property	0-15
Australian and New Zealand Shares	0-20
International Shares	0-20
Alternatives	0-15



Investment objective

To provide members with returns only moderately above inflation over a medium time horizon with low to medium levels of investment risk.

Investors that the option may suit

Members closer to, or in retirement, who need to protect their retirement savings and keep up with inflation or members who want a low volatility option.

Recommended minimum investment timeframe

3 years

Risk Level<sup>^</sup>

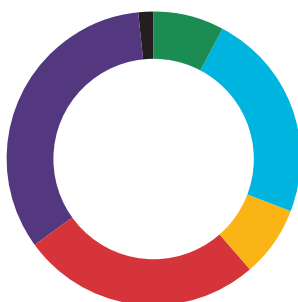
Low to medium

<sup>^</sup>Risk measures are based on the Standard Risk Measure Guidelines issued by the FSC and ASFA

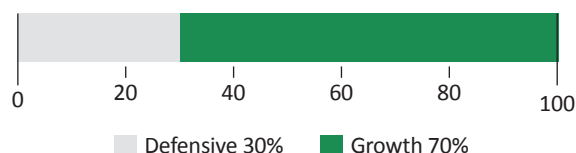


### Balanced (accumulation) option

Cash	7.81%
Interest-bearing securities	23.19%
Property	7.85%
International Shares	26.31%
Australian & New Zealand Shares	33.35%
Alternatives	1.49%



Asset type	Range %
Interest-bearing investments & Cash	10-50
Property	0-20
Australian and New Zealand Shares <sup>^</sup>	10-50
International Shares	5-40
Alternatives	0-20



#### Investment objective

To provide a diversified portfolio that has an appropriate balance between income and capital growth investments with medium to high levels of risk. It aims to achieve returns of 3.5% p.a. above inflation over the medium to longer terms.

#### Investors that the option may suit

Members comfortable with a medium to high level of risk that have an investment timeframe of at least 5 years.

#### Recommended minimum investment timeframe

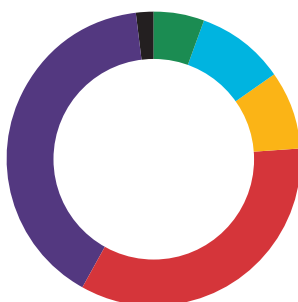
5 years

#### Risk Level<sup>^</sup>

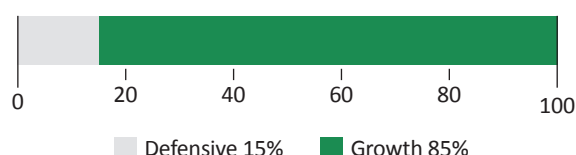
Medium to high

### Growth option

Cash	5.70%
Interest-bearing securities	9.67%
Property	8.61%
International Shares	34.12%
Australian & New Zealand Shares	40.02%
Alternatives	1.88%



Asset type	Range %
Interest-bearing investments & Cash	0-45
Property	0-20
Australian and New Zealand Shares <sup>^</sup>	15-55
International Shares	10-50
Alternatives	0-20



#### Investment objective

To provide long term growth accompanied by high levels of risk through holding mostly growth assets.

#### Investors that the option may suit

Members who have a longer timeframe to accumulate retirement savings and who are comfortable with short-term market fluctuations.

#### Recommended minimum investment timeframe

6 years

#### Risk Level<sup>^</sup>

High

<sup>^</sup>Risk measures are based on the Standard Risk Measure Guidelines issued by the FSC and ASFA

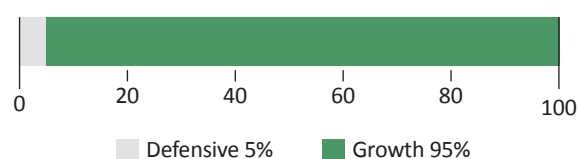
# Super investment options

## Asset allocations (%) to 30 June 2019 continued

### Advocacy option



Asset type	Range %
Cash	0-15
Australian and New Zealand Shares^	55-85
International Shares	10-40



Investment objective

To provide long term growth accompanied by high levels of risk through investment in listed companies on Australian and international stock exchanges.

Investors that the option may suit

Members seeking capital growth through long term investments who have a higher tolerance for risk.

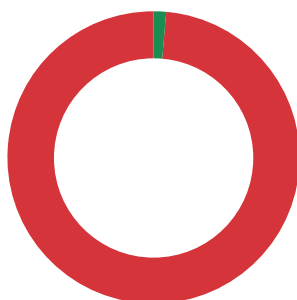
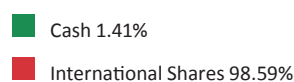
Recommended minimum investment timeframe

7 years

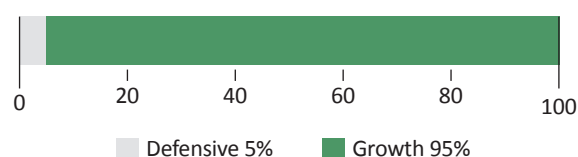
Risk Level^

High

### International shares option



Asset type	Range %
Cash	0-15
International Shares	85-100



Investment objective

To provide long-term growth accompanied by high levels of risk through investment in overseas companies.

Investors that the option may suit

Members seeking an exposure to international companies who are comfortable with short term volatility. It is suited for members with a longer investment timeframe and a higher risk tolerance.

Recommended minimum investment timeframe

7 years

Risk Level^

High

^Risk measures are based on the Standard Risk Measure Guidelines issued by the FSC and ASFA



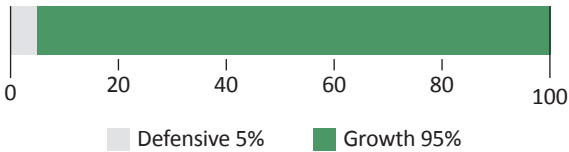


Australian shares option

- Cash 6.68%
- Australian & New Zealand Shares 93.32%



Asset type	Range %
Cash	0-20
Australian and New Zealand Shares^	80-100



Investment objective

To provide long-term growth accompanied by very high levels of risk through investment in Australian and New Zealand companies with a bias to smaller companies.

Investors that the option may suit

Members seeking capital growth through long-term investments who have a higher tolerance for risk.

Recommended minimum investment timeframe

7 years

Risk Level^

Very high

^Risk measures are based on the Standard Risk Measure Guidelines issued by the FSC and ASFA

# Pension investment options

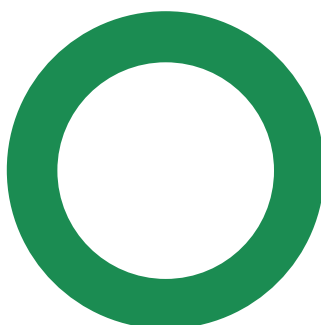
## Asset allocations (%) to 30 June 2019

### Pension

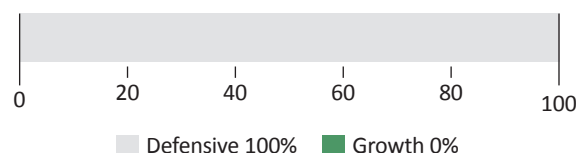
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#### Defensive option

■ Cash 100%



Asset type	Range %
Interest-bearing investments	90-100
Cash	0-10



Investment objective

To provide members with a portfolio focused on preservation of capital through low risk income generating investments.

Investors that the option may suit

Members wanting a low risk of capital loss and low volatility with a short investment timeframe.

Recommended minimum investment timeframe

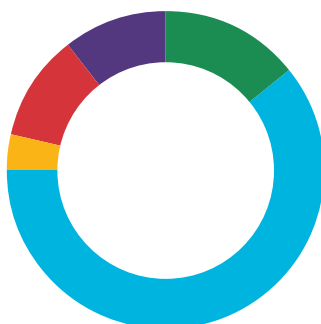
1 year

Risk Level<sup>^</sup>

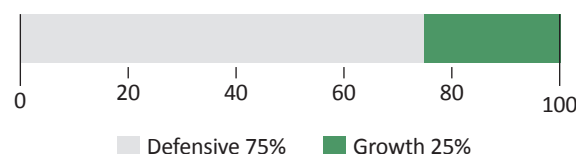
Very low

#### Conservative option

■ Cash 14.27%  
■ Interest-bearing securities 60.73%  
■ Property 3.71%  
■ International Shares 10.89%  
■ Australian & New Zealand Shares 10.39%



Asset type	Range %
Interest-bearing investments & Cash	20-100
Property	0-15
Australian and New Zealand Shares	0-20
International Shares	0-20
Alternatives	0-15



Investment objective

To provide members with returns only moderately above inflation over a medium time horizon with low to medium levels of investment risk.

Investors that the option may suit

Members closer to, or in retirement, who need to protect their retirement savings and keep up with inflation or members who want a low volatility option.

Recommended minimum investment timeframe

3 years

Risk Level<sup>^</sup>

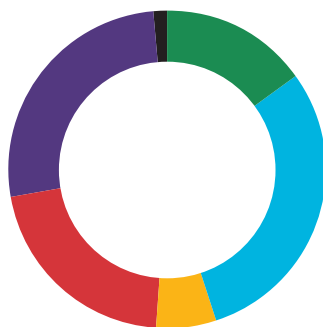
Low to medium

<sup>^</sup>Risk measures are based on the Standard Risk Measure Guidelines issued by the FSC and ASFA

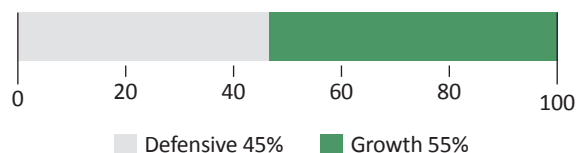




### Balanced (pension) option



Asset type	Range %
Interest-bearing investments & Cash	30-60
Property	0-20
Australian and New Zealand Shares <sup>^</sup>	10-35
International Shares	5-30
Alternatives	0-20



#### Investment objective

To provide a diversified portfolio that has an appropriate balance between income and capital growth investments with medium to high levels of risk.

#### Investors that the option may suit

Members comfortable with a medium to high level of risk that have an investment timeframe of at least 5 years.

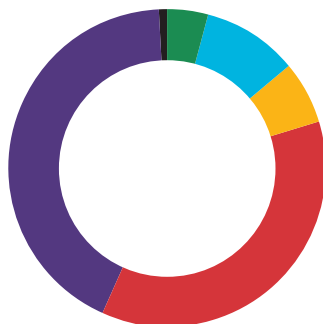
#### Recommended minimum investment timeframe

5 years

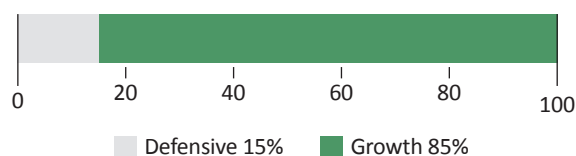
#### Risk Level<sup>^</sup>

Medium to high

### Growth option



Asset type	Range %
Interest-bearing investments & Cash	0-45
Property	0-20
Australian and New Zealand Shares <sup>^</sup>	15-55
International Shares	10-50
Alternatives	0-20



#### Investment objective

To provide long term growth accompanied by high levels of risk through holding mostly growth assets.

#### Investors that the option may suit

Members who have a longer timeframe to accumulate retirement savings and who are comfortable with short-term market fluctuations.

#### Recommended minimum investment timeframe

6 years

#### Risk Level<sup>^</sup>

High

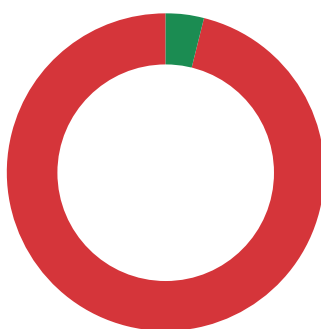
<sup>^</sup>Risk measures are based on the Standard Risk Measure Guidelines issued by the FSC and ASFA

# Pension investment options

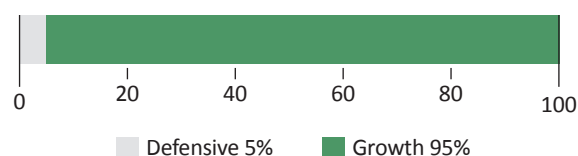
## Asset allocations (%) to 30 June 2019 continued

### International shares option

- Cash 4.16%
- International Shares 95.84%



Asset type	Range %
Cash	0-15
International Shares	85-100



Investment objective

To provide long-term growth accompanied by high levels of risk through investment in overseas companies.

Investors that the option may suit

Members seeking an exposure to international companies who are comfortable with short term volatility. It is suited for members with a longer investment timeframe and a higher risk tolerance.

Recommended minimum investment timeframe

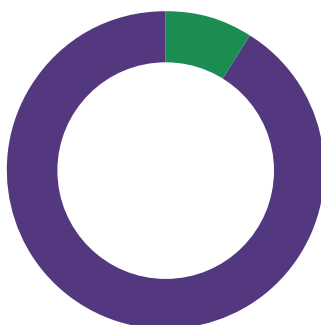
7 years

Risk Level^

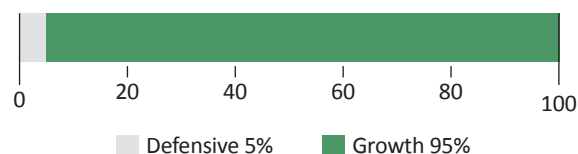
High

### Australian shares option

- Cash 9.08%
- Australian & New Zealand Shares 90.92%



Asset type	Range %
Cash	0-20
Australian and New Zealand Shares^	80-100



Investment objective

To provide long-term growth accompanied by very high levels of risk through investment in Australian and New Zealand companies with a bias to smaller companies.

Investors that the option may suit

Members seeking capital growth through long-term investments who have a higher tolerance for risk.

Recommended minimum investment timeframe

7 years

Risk Level^

Very High

^Risk measures are based on the Standard Risk Measure Guidelines issued by the FSC and ASFA



# Investment performance

## Superannuation options returns to 30 June 2019

Our super fund's default MySuper option, the Balanced (accumulation) option, has outperformed its benchmark over the time periods shown below.

Accumulation options	1 year %	2 year % p.a.	3 year % p.a.	5 year % p.a.	7 year % p.a.	10 year % p.a.	15 year % p.a.
Defensive	1.3	1.2	1.2	1.2	1.5	2.3	2.8
Australian 90 day bank bill**	1.1	1.1	1.1	1.3	1.7	2.6	3.7
Conservative	7.5	5.2	4.6	4.4	4.5	n/a	n/a
Morningstar Multisector Moderate – Superannuation	4.9	4.3	4.0	3.8	4.8	n/a	n/a
Balanced (accumulation)	10.2	8.5	8.9	7.9	8.9	6.8	5.7
Morningstar Multisector Growth – Superannuation	6.7	7.2	7.7	6.1	7.3	6.8	5.5
Growth	11.2	9.4	10.0	8.6	10.5	7.3	6.2
Morningstar Multisector Aggressive – Superannuation	7.1	8.7	9.7	7.4	9.2	8.1	6.2
Advocacy	13.0	10.7	11.0	9.7	12.5	n/a	n/a
Melded Benchmark (ASX 200 Inds & MSCI World ex Australia)**	9.4	8.8	9.7	8.3	12.0	n/a	n/a
International Shares	11.5	9.3	12.3	8.9	13.3	6.6	n/a
MSCI World ex Australia**	9.9	11.3	11.6	9.3	15.8	11.6	n/a
Australian Shares	9.2	9.4	10.8	12.1	14.0	10.5	10.0
S&P/ASX Small Industrials**	5.3	10.5	9.2	7.1	1.9	2.8	4.0

## Pension options – returns to 30 June 2019

Pension options	1 year %	2 year % p.a.	3 year % p.a.	5 year % p.a.	7 year % p.a.	10 year % p.a.	15 year % p.a.
Defensive	1.5	1.4	1.5	1.4	1.8	2.7	3.4
Australian 90 day bank bill^	1.3	1.3	1.2	1.4	1.9	2.7	3.8
Conservative	8.4	5.9	5.2	4.9	5.2	n/a	n/a
Morningstar Multisector Moderate – Pension	5.5	4.8	4.4	4.2	5.3	n/a	n/a
Balanced (pension)	9.9	8.1	8.3	7.8	9.1	7.2	6.0
Morningstar Multisector Balanced – Pension	5.8	5.9	6.2	5.6	7.2	6.9	5.7
Growth	12.3	10.4	11.2	9.7	11.4	8.5	7.0
Morningstar Multisector Aggressive – Pension	7.9	9.4	10.3	7.9	9.8	8.6	6.6
International Shares	12.1	9.9	13.2	8.9	13.7	6.3	n/a
MSCI World ex Australia^	11.3	13.0	13.4	10.5	16.6	12.2	n/a
Australian Shares	9.5	10.3	11.8	12.9	15.0	11.7	10.9
S&P/ASX Small Industrials^	5.8	11.6	10.1	8.0	2.6	3.4	4.6

Please note: Past performance is not an indicator of future performance. Performance is not guaranteed.

\*\* Gross index performance is adjusted down for tax and administration fees. The effective tax rate of the investment option is used to estimate tax.

^ Gross index performance is adjusted down for administration fees.

Note: Where benchmarks have changed, we have melded them together

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### Calculating returns

- Net investment returns are calculated using exit prices.
- Net investment returns have been calculated using prescribed standard methods and assumptions, and take into account administration and investment fees, taxes and other costs.
- The standard calculations are based on a member with an account balance of \$50,000, which will not be relevant to all members.
- The standard calculations do not allow, for example, for the effect of contributions to an account, insurance fees from an account or various other matters.

# Accounts

The Australian Ethical Retail Superannuation Fund financial statements for the year ended 30 June 2019 are shown in abridged form below. A copy of the full accounts and the auditor's report is available to members upon request. Please phone 1300 134 337, if you would like a copy mailed to you.

## Statement of financial position

As at 30 June 2019

	2019 \$'000	2018 \$'000
<b>Assets</b>		
Cash and cash equivalents	21,274	14,655
Investments	2,214,953	1,819,780
Receivables	83,485	55,478
Deferred tax assets	259	158
<b>Total assets</b>	<b>2,319,971</b>	<b>1,890,071</b>
<b>Liabilities</b>		
Payables	4,433	4,407
Income tax payable	7,648	6,022
Deferred tax liabilities	36,851	26,267
<b>Total liabilities excluding member benefits</b>	<b>48,932</b>	<b>39,696</b>
<b>Net assets available for member benefits</b>	<b>2,271,039</b>	<b>1,853,375</b>
<b>Member benefits</b>		
Allocated to members	2,261,772	1,844,979
Unallocated to members	3,322	3,617
<b>Total member liabilities</b>	<b>2,265,094</b>	<b>1,848,596</b>
<b>Net assets</b>	<b>5,945</b>	<b>4,779</b>
<b>Equity</b>		
Operational risk reserve	5,945	4,779
<b>Total equity</b>	<b>5,945</b>	<b>4,779</b>

## Statement of changes in equity

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000	2017 \$'000
<b>Operational risk reserve</b>			
<b>Opening balance</b>	<b>4,779</b>	<b>3,321</b>	<b>2,681</b>
Net transfer to reserves	644	1,166	524
Operating result	522	292	116
<b>Closing balance</b>	<b>5,945</b>	<b>4,779</b>	<b>3,321</b>

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Trustee's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Fund's operations. The objective of the Trustee of the Fund is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Trustee has assessed a target ORFR of 0.25% of funds under management as appropriate for the Fund. As at 30 June 2019, the ORFR balance equates to 0.26% of funds under management.

Transfers in and out of the reserves are made only at the authorisation of the Trustee and in accordance with the Fund's Reserve Policy. The ORFR is funded out of the Trustee's administration fee entitlement. Earnings on invested amounts are retained within the ORFR.

The reserve is held separately to other Fund assets and is invested in a cash account and the Balanced Fund.



## Income statement

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Revenue</b>		
Distributions and dividends	109,369	73,560
Interest	158	147
Movement in fair value of investments	125,861	78,240
Other income	30	4
<b>Total revenue</b>	<b>235,418</b>	<b>151,951</b>
<b>Expenses</b>		
Investment expenses	17,285	14,914
Administration expenses	11,567	9,441
Other expenses	23	27
<b>Total expenses</b>	<b>28,875</b>	<b>24,382</b>
<b>Profit from operating activities before income tax expense</b>	<b>206,543</b>	<b>127,569</b>
Less: Income tax expense	11,054	5,572
<b>Profit from operating activities after income tax expense</b>	<b>195,489</b>	<b>121,997</b>
Less: Net benefits allocated to members' accounts	194,323	120,539
<b>Profit after income tax</b>	<b>1,166</b>	<b>1,458</b>

## Statement of changes in member benefits

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Opening balance of member benefits</b>	<b>1,848,596</b>	<b>1,494,736</b>
Employer contributions	137,390	114,770
Member contributions	35,470	28,953
Transfers from other funds	193,069	202,062
Government co-contributions	2,289	2,060
Income tax on contributions	(20,515)	(16,906)
<b>Net after tax contributions</b>	<b>2,196,299</b>	<b>1,825,675</b>
Benefit payments	(121,601)	(96,010)
Insurance premiums charged to members' accounts	(6,386)	(5,455)
Death and disability benefits credited to member's accounts	2,459	3,847
Benefits allocated to members' accounts, comprising:		
Net investment income	198,369	124,206
Net direct administration fees	(4,046)	(3,667)
<b>Closing balance of member benefits</b>	<b>2,265,094</b>	<b>1,848,596</b>

## Investments with a value greater than 5% of the total assets of the fund

Fund	Percentage of total fund assets	Amount
Australian Ethical Balanced Fund	47.3%	\$1,096,516,892.92
Australian Ethical Australian Shares Fund	16.9%	\$393,154,316.64
Australian Ethical Diversified Shares Fund	9.2%	\$212,854,675.52
Australian Ethical International Shares Fund	6.3%	\$146,587,012.37
Australian Ethical Advocacy Fund	5.0%	\$116,204,519.76

# Things you should know

## Indemnity insurance

The Trustee is covered by indemnity insurance to protect it from losses arising from claims against it. The insurance has been provided by QBE Insurance (Australia) Ltd throughout the 2018-19 financial year.

## Investment managers

The Trustee uses Australian Ethical Investment Ltd as its investment manager. More than 5% of the Fund's assets were invested in the Australian Ethical managed investment schemes where Australian Ethical Investment Ltd is the responsible entity (AFSL 229949).

## Derivatives

The Australian Ethical Retail Superannuation Fund does not directly use derivatives. It invests in managed investment schemes managed by Australian Ethical Investment Ltd, which may use derivatives to reduce the impact of large adverse movements in currency exchange rates (foreign currency hedging). The managed investment schemes may also use derivatives to manage interest rate and duration risk in fixed interest and property portfolios.

## Complaints resolution

If you are not satisfied with any aspect of our service, please contact our Client Service team on 1300 134 337 or email [members@australianethical.com.au](mailto:members@australianethical.com.au). If we do not resolve your complaint to your satisfaction, you can complain to the following external dispute resolution body at no charge to you:

The Australian Financial  
Complaints Authority (AFCA)  
**w** [www.afca.org.au](http://www.afca.org.au)  
**e** [info@afca.org.au](mailto:info@afca.org.au)  
**t** 1800 931 678

## Unclaimed Super

If you are a lost Member and your account balance is less than \$6,000 we are required to transfer your account balance to the ATO.

Transferring your account to the ATO may affect your benefits because you will no longer be a member of the Fund and any insurance cover you hold through the Fund will cease. It is important you tell us when your address changes to avoid having your benefits sent to the ATO.

## ASIC Statement

The Trustee relies on ASIC relief to the effect that the Trustee is not obliged to notify or give an exit statement to a non-resident in circumstances where the Trustee pays unclaimed superannuation to the Commissioner of Taxation under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members Act) 1999.

## Temporary residents

If you are, or have been, working in Australia on a temporary resident visa and you are not a permanent resident or an Australian or New Zealand citizen, then once you permanently depart Australia you may be able to apply for and be paid your benefit from the Fund subject to providing the Trustee with the required evidence.

If you have not been paid your benefit after six months of departing Australia and your temporary visa has expired or been cancelled, your super benefit must be transferred to the ATO. If this occurs, you will need to claim your super benefit directly from the ATO.

For more information, visit the ATO website, [www.ato.gov.au/super](http://www.ato.gov.au/super)

## Allotment of earnings

Australian Ethical Retail Superannuation Fund uses unit prices for its investment options. The investment options in the Fund are valued daily. This in turn

determines the value of each member's account. Movements in unit price reflect movements in the value of an investment option's assets as well as amounts payable by the investment option for fees and expenses.

## The Trustee

The Trustee of The Australian Ethical Retail Superannuation Fund is Australian Ethical Superannuation Pty Ltd. The role of the Trustee is to operate the Fund in accordance with its Trust Deed and relevant law. The Fund is regulated by various pieces of legislation including the Superannuation Industry (Supervision) Act 1993 (SIS) and the Corporations Act 2001.

The Australian Ethical Retail Superannuation Fund is managed by a board of five Directors. All Trustee Board Directors undertake ongoing education and training relevant to their duties. Details about each Director can be found on the Australian Ethical website.

Directors receive a Director's fee and reimbursement for their expenses. Remuneration details for Directors and Senior Management are disclosed on the Australian Ethical website.

## Service providers

The Trustee has appointed the following independent organisations to assist with the key operations of the Fund.

- Administration – Mercer Outsourcing (Australia) Pty Ltd
- Custodian – National Australia Bank Limited
- Investment Adviser – Australian Ethical Investment Ltd
- Group Life Insurer – MetLife Insurance Limited
- External Auditor – KPMG
- Internal Auditor – PWC



# Changes to superannuation

## Protecting Your Super

In February 2019, the Federal Parliament introduced legislation called the Protecting Your Super reforms with a commencement date of 1 July 2019. The aim of these reforms is to ensure your superannuation is not eroded by unnecessary insurance premiums and fees. The main changes include:

### 1. No exit fees

Exit fees cannot be charged when a member leaves or makes a withdrawal, regardless of their super balance.

### 2. Fees capped at 3% for low account balances

To protect low balance accounts, there will be a 3% cap applied to the amount of administration fees, investment fees and certain costs that can be charged to members with an account balance below \$6,000 as at 30 June of each financial year.

### 3. Insurance cancellation for inactive accounts

If your account has been inactive (has not received a contribution or rollover) for at least 16 months your insurance will be cancelled unless you choose to retain your insurance.

### 4. Combining inactive low balance accounts

We are required to transfer inactive low balance accounts to the Australian Taxation Office (ATO). An account may be considered an inactive low balance account where it has an account balance of less than \$6,000, it has not received a contribution or rollover within the last 16 months and there is no insurance on the account.

If your superannuation account is transferred to the ATO, the ATO will try to combine the amount in your inactive account into another active account that you hold. If the ATO can't join your balances automatically, it will stay with the ATO until you claim it.

## Insurance in Superannuation Voluntary Code of Practice

Australian Ethical has elected to adopt the new Insurance in Superannuation Voluntary Code of Practice (Code). Though our insurance offering already complies with many aspects of the Code, we will work hard with our providers MetLife and Mercer Administration to identify any further opportunities for improvement. Some of the key principles of the Code are:

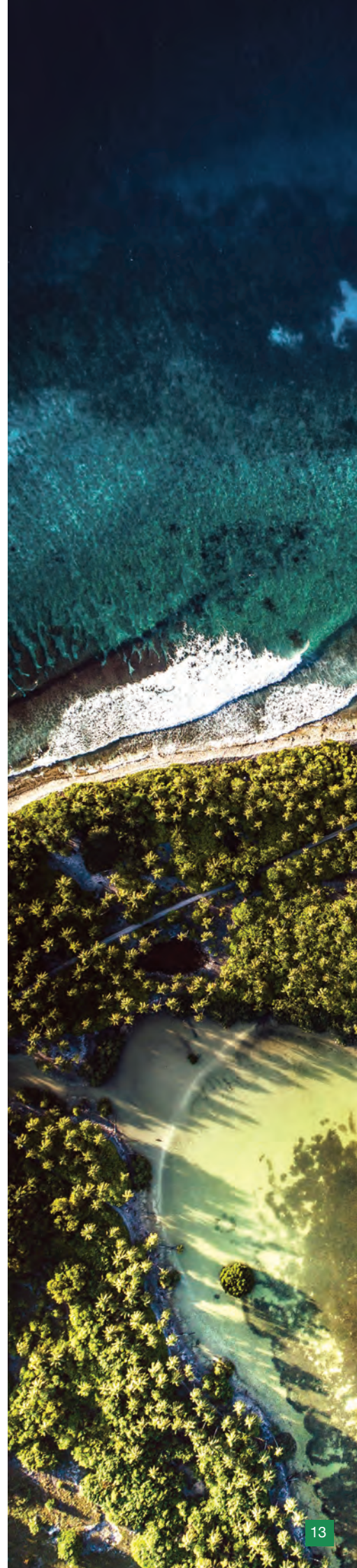
- Plain language in member communications
- Active management of insurance claims
- Defined timing for processing of claims
- Factsheets available on our website

The Code began on 1 July 2018, and super funds have until 30 June 2021 to fully implement the new requirements. In December 2018, we published our transition plan on our website which outlines how we will adopt key requirements of the Code by the implementation deadline.

## Future Super Guarantee rate increase changes

The Super Guarantee contribution rate is set to reach 12% in 2025

Financial year	Rate
2018/19	9.5%
2019/20	9.5%
2020/21	9.5%
2021/22	10.0%
2022/23	10.5%
2023/24	11.0%
2024/25	11.5%
2025/26	12.0%







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