



# ANNUAL REPORT 2015



1800 359 686  
[lesf.com.au](http://lesf.com.au)

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### IMPORTANT INFORMATION

*This Annual Report has been prepared by The Trust Company (Superannuation) Limited as the Trustee of the LESF Super (“LESF” or “the Fund”) which relates to the Financial Year ending 30 June 2015.*

*This Annual Report will assist you to understand your superannuation benefits. It should be read in conjunction with your 2015 Member Statement.*

*This Report has been prepared in accordance with the Corporations Act and Corporations Regulations 2001. While all reasonable care has been taken to ensure the information contained in this report is correct, the Trustee reserves the right to correct any error, misprint or omission. Information contained in this report is accurate as at 30 June 2015, based on information provided to the Trustee by the Fund’s service providers and underlying Investment Managers. Information contained within this Report is specific to the Fund, unless stated otherwise.*

*Neither the Trustee nor any of its service providers guarantee the performance of any of the investments available within the Fund.*

*This publication contains general information or general advice only that has been prepared without taking into account your objectives, financial situation or needs. In deciding whether to open, vary, or continue to hold an account, you should consider the relevant Product Disclosure Statement (PDS) for that account. Copies can be obtained from the LESF Member Services Team on 1800 359 686, or the LESF Super website [www.lesf.com.au](http://www.lesf.com.au).*

*This Annual Report is issued by the Trustee, The Trust Company (Superannuation) Limited (“TTCSL” or “the Trustee” or “We”), ABN 49 006 421 638, AFSL No. 235153, RSE Licence No L0000635.*



## INTRODUCTION

We are pleased to provide you with this Annual Report (“**the Report**”) for LESF Super (“LESF” or “the Fund”). The Report is designed to inform members of developments in the Fund, and to provide superannuation information and updates since the previous Annual Report for the year ended 30 June 2014.

The Report covers the reporting period from 1 July 2014 to 30 June 2015 (Financial Year) and should be read in conjunction with your 2015 annual member statement.

LESF is a regulated fund under the Superannuation Industry (Supervision) Act 1993 (“SIS Act”). LESF was established in April 1989 as the Queensland Law Society Superannuation (employers and solicitors) Scheme, changing its name to the Law Employees Superannuation Fund (LESF) in July 1995, and to LESF Super in June 2014.

LESF’s goal is to provide a simple yet effective super fund, designed to be able to meet your needs over the different stages of life. We seek to provide quality customer service for our members and employers and are focused on making administration for employers as easy and efficient as possible.

LESF does this by offering:

- Four investment options (six from 30 October 2015);
- Automatic death and total & permanent disability insurance for eligible members;
- Automatic income protection cover for eligible members;
- The ability to change or increase your insurance cover;
- The ability to draw a superannuation pension from the Fund when you retire;
- An authorised MySuper product (LESF MySuper) with the ability to accept all types of Superannuation contributions; and
- A state of the art clearing house solution which offers an efficient payroll process and compliance with the new ATO data and payment standards.

## THE YEAR IN REVIEW

During the 2015 Financial Year, LESF Super continued to grow via increased contributions and by merger of other super funds into LESF. The Trustee constantly seeks new opportunities to benefit members. Some key achievements during the year are as follows.

### Introduction of Pension Option

In order to continually improve LESF's features and benefits to members who are over 55 years old, the Fund launched a Pension Plan - LESF Super Pension Plan on 1 December 2014. It is open to everyone who wishes to start a Transition To Retirement Pension while working, or those who retire permanently and need an Account Based pension.

### New Investment Options from October 2015

Further to the addition of the Conservative option in June 2014, the Trustee approved another two investment options - High Growth and Listed Property in October 2015. The new investment options became available to all members from 30 October 2015. Details of the two options are in the LESF Super PDS Additional Information Guide and 'Investment Option' section of this Annual Report on page 9.

### Establishment of AIA Sub-Fund

On 30 March 2015, the Trustee established a new sub-fund within LESF Super - the AIA (Insurance) Super Scheme, an insurance only superannuation product that provides the Superannuation Life Cover Plan and the Superannuation Income Protection Plan for members of the sub fund.

The new sub fund provides valuable tax benefits to the members in the sub fund, and adds additional operating scale to LESF Super.

### Establishment of Macmahon Employees Super Sub-Fund

On 29 October 2015, the Macmahon Employees Superannuation Fund, an employer sponsored super fund was transferred into LESF as a new sub-fund - Macmahon Employees Super (Macmahon Super).

Members of Macmahon Super enjoy many of the same benefits as other LESF Super members, such as the range of investment options and lower costs. Macmahon Super members have a customised insurance offer under the new arrangement.

The addition of the Macmahon Super sub-fund provides a significant boost to the size of LESF Super. A larger fund helps to contain running costs for all members. The Trustee continues to look for other merger opportunities that can benefit all LESF Super members.

### Enablement of Online Investment Switching

Members can now change their investment choice by logging onto their accounts online. This new feature became available from October 2015, and has simplified the process for members who wish to change their existing investment options. Online switching is fast, easy, and paper-free.

## INVESTMENT MARKET OVERVIEW

Despite a range of economic and market challenges, financial markets again performed strongly during the year to June 2015, with super funds recording a sixth straight year of positive returns following the Global Financial Crisis. The strong appreciation of market values over the year will have resulted in most superannuation fund members achieving results well ahead of inflation based targets. The Australian ASX 200 Accumulation Index returned 5.7% for the year, international equities, represented by the MSCI All Country World Index, rose by 11.0%, local bonds appreciated by 5.6% and cash returns measured by the Bloomberg Bank Bill Index delivered a return of 2.6%. The Australian Dollar weakened by 18% against the US Dollar from 0.9432 to 0.7707 at year end.

- Central bank policy stimulus remained an important influence and source of support for asset prices around the world. Several central banks, including the Bank of Japan and the European Central Bank, were forced to implement their own versions of Quantitative Easing (QE) in response to weakness in their respective economies.
- In contrast, widespread signs of economic recovery enabled the US Federal Reserve to reduce and eventually end its own massive QE program in October 2014. Market concerns over the impact of QE withdrawal have been replaced by uncertainty about when the Fed will begin to raise interest rates, widely expected to be late in the 2015 calendar year.
- Interest rates remain at or near historic lows, providing on-going stimulus and much needed support to the global economy. In Australia, below-trend economic growth, higher unemployment and low inflation prompted the Reserve Bank of Australia to reduce interest rates on two occasions.
- China has been responding to weaker than expected economic growth in a similar way with the People's Bank of China cutting interest rates and implementing bank lending reforms.
- Most of the major developed equity markets recorded positive returns. Japan's share market was the stand-out performer with the Nikkei Index reaching an 18 year high. Investors responded positively to the yen's weakness which is expected to assist the Japanese economy and exporters. European markets also benefitted from similar

weakness in the euro and there were signs that the eurozone's economic prospects showed improvement, albeit from a low base.

- The Australian share market recorded a modest gain, however there were pronounced differences in industry sector performances. Increasing supply coupled with slowing demand in China combined to push iron ore prices substantially lower. Rising shale oil production and a breakdown in the Organisation of Petroleum Exporting Countries (OPEC) cartel weighed heavily on oil prices. As a result, resource and energy companies underperformed other sectors of the Australian market. In an environment of very low term deposit and interest rates, the best performers tended to be sectors and companies with sustainable and attractive dividends, such as listed property trusts. Companies with offshore earnings which will benefit from the weakness in the Australian dollar versus the US dollar also performed well.

Improvements in the Australian and world economies will continue to support asset markets. However, while investors are already anticipating US interest rates will rise at some stage, the impact is difficult to gauge with certainty. There is concern that share market valuations rest on a weak foundation of ultra-low interest rates. Economic growth in important parts of the world (Europe, Japan) is modest at best and slower growth in China has important consequences for Australia, especially as we are now at a point in the commodity price cycle that is less favourable.

We anticipate that returns for most super funds will again be positive this year, but are cautious given the already strong performance of asset markets over a number of years.

We will continue to adjust the asset allocation of the Funds assets to respond to the economic and financial market environment with the firm objective of preserving member's capital and pursuing opportunities for capital growth over the medium to long term commensurate with a conservative tolerance for risk.

This investment market overview has been provided by the Investment Manager and is of general information only. It does not take into consideration your personal circumstances, objectives or financial needs.

## INVESTMENT PERFORMANCE

Table 1 shows the investment performance of LESF in each of the past five Financial Years for each investment option that was available to members as at 30 June 2015, together with the compound average performance over the 5 year period to 30 June 2015. This is the net performance, after fees and taxes. Pension investment options became available from 1 December 2014 and therefore longer term performance details as at 30 June 2015 are not available.

Table 1 - Superannuation Investment Performance (as at 30 June 2015)				
Earnings rate for the Financial Year ended	Cash	Conservative	MySuper	Equities
2011	4.09%	n/a	11.09%	7.90%
2012	3.55%	n/a	-0.41%	-1.28%
2013	1.65%	n/a	12.58%	20.06%
2014	1.63%	n/a	11.17%	14.65%
2015	1.22%	n/a	6.00%	6.72%
<b>Compound average annual return over 5 years</b>	2.42%	n/a	7.98%	9.37%

### Notes:

- Past performance is not an indication of future performance.
- The conservative investment option became available from 1 July 2014 and commenced on 6 March 2015.
- The Balanced option became LESF MySuper on 1 January 2014.

### Asset Management

The Trustee is responsible for the management and investment decisions of the Fund and uses a range of specialists to advise on and manage the Fund's investments.

The Fund invests primarily in a range of wholesale managed investments, ASX listed securities, cash management trusts and cash.

### Unit Pricing and Your Account

LESF is a unitised product which is priced weekly. What this means is that net investment earnings are allocated to your account with each unit price. It also means that the value of your account directly reflects the recent market value of the Fund's investments.

The unit price is calculated for each option by taking the total market value of all of the option's assets, adjusting for any liabilities (including fees, costs and taxes) and then dividing the net value by the total

number of units held by all members on that day. Although your unit balance in an option will stay constant (unless there is a transaction on your account), the unit price will change according to changes in the net market value of the investment portfolio or the total number of units issued for the option. We determine the market value of each option based on the information we have most recently available.

The current unit price for the various investment options is available on our website at [www.lesf.com.au](http://www.lesf.com.au) or from the LESF Member Services Team upon request.

You can also view the value of your member account based on the most recent unit price, on the Fund website. Contact LESF Member Services if you need a member login.

## INVESTMENT OPTIONS

In October 2015, the Trustee introduced two new investment options to LESF Super - the High Growth option and the Listed Property option. LESF now has six (6) investment options for you to choose from. They are designed to meet different investment objectives and have been chosen to cater for different types of investors who have different investment needs.

The investment options in the Fund for the period up to 30 June 2015 were:

- LESF Cash
- LESF Conservative
- LESF MySuper
- LESF Equities

These options provide access to the various asset classes, including property securities, Australian and international shares, cash, fixed interest, etc. Each option invests in at least one of these areas to varying degrees depending on whether the focus is on growth, securing capital or a balance between these investment objectives. The mix of investments used varies according to the objective of each option. There is a risk that your investment in an option will fall in value from time to time.

Options can be used either individually or in varying proportions to construct an investment portfolio to suit your needs. A summary of the investment options is provided at page 9.

### Investment Choice

Investment Choice is a personal decision and you should consider seeking professional financial planning advice when determining your risk profile and investment option selection.

#### Default Investment Option

Your member statement outlines your investment selection as at 30 June 2015. If you do not select an investment option when joining LESF or your choice is unclear, your member account will be invested in the LESF MySuper option.

You can change your investment option selection at any time. If you wish to switch to another investment option or mix of options with LESF, you can either log in to your online account to switch online, or request an Investment Choice form from LESF Member Services on 1800 359 686.

Your current investment therefore can be viewed online or by contacting LESF Member Services.

For further information on member investment choice, please refer to LESF Super Product Disclosure Statement (PDS) and LESF Super PDS Additional Information Guide, which are available on the Fund's website or call LESF Member Services on 1800 359 686.

#### Derivatives Policy

The Trustee does not enter into any derivative contracts on its own account, although some underlying Investment Managers may have derivatives exposure in their portfolios.

It is the Trustee's policy not to use derivative investments directly. Derivatives include investment products such as futures, options, swaps and warrants. They are securities whose value is derived from other securities or assets.

Some of the underlying Investment Managers may use derivatives to reduce risks in their investment products and to increase or decrease their product's exposure to particular investment sectors or markets. However, use of derivatives carries its own risks for the underlying investment products (and therefore for the investment option) like the possibility that the derivative position is difficult or costly to reverse, that it does not perform as expected or that the parties to the derivative contract do not perform their contractual obligations.

#### Hedge Funds

The Trustee has authorised, and will continue to permit exposure to, the asset class commonly referred to as "Hedge Funds". These investments, may also be known as "absolute return" investments, and have their overall objective to produce positive returns not defined or measured against any one benchmark. While these investments can be considered as higher risk, LESF's exposure is limited to products which have carefully selected fund managers to reduce some aspects of this risk.

## Socially Responsible Investments

The Trustee has not taken into account labour standards or environmental, social, or ethical considerations in the selection of Investment Managers or the selection, retention or realisation of investments. However, underlying Investment Managers used may give consideration to these issues.

## Reserves

The Trustee operates an Operational Risk Financial Reserve ("ORFR"). The ORFR is a requirement of Prudential Standard SPS 114. This reserve is to specifically cover potential losses arising from operational risks that may affect the Fund's business operations. An operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The ORFR may be drawn upon to assist in compensating members of the Fund in the event of an operational risk having materialised. The Trustee has determined that the target balance for this reserve is 0.25% of the Fund's Net Asset Value, and

the Trustee has a strategy in place to reach this by 30 June 2016.

As a result of converting the Fund into a unitised product in 2014, a small residual balance in the Investment Revenue Reserve remains. All net income attributable to members is now reflected in the unit prices of the Fund's investment options.

Total reserves of \$287,262 for the 2014/2015 financial year comprise the accumulated ORFR and the small residual Investment Revenue Reserve.

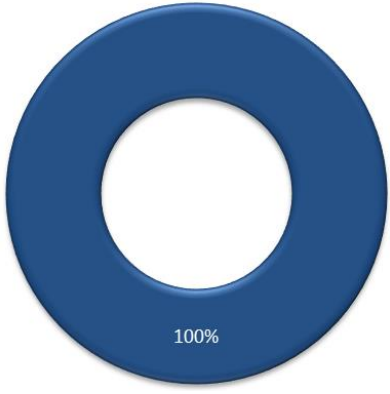
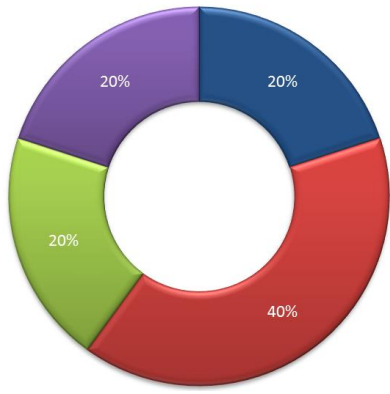
Over the past 3 years, LESF's reserves have been:

Table 2 - LESF Reserves	
Year	Amount
2014/2015	\$287,262
2013/2014	\$174,000
2012/2013	\$589,489

The Fund's reserves are invested in Cash.



**Table 3 - Investment Options Summary**

	LESF Cash Option	LESF Conservative Option
<b>Suitability</b>	Likely to suit extremely conservative investors.	Likely to suit members with a shorter term investment time frame, seeking stable returns with a low level of risk.
<b>Investment Return Objective</b>	The Cash option aims to achieve a return before tax but after investment costs equal to or better than inflation and also positive when measured over any 1 year period.	The Conservative option aims to achieve a return before tax but after investment costs equal to or better than inflation plus 1% p.a. when measured over any 5 year period.
<b>Investment Strategy</b>	The Trustee’s strategy in order to meet the investment objectives is to invest 100% in cash assets only.	The Trustee’s strategy to meet the objective is to invest in defensive assets, with some exposure to Australian shares.
<b>Minimum suggested timeframe for investing</b>	1 year	5 years
<b>Risk Level</b>	<b>Very Low</b> Probability of a negative return in any single year is less than 2%.	<b>Low</b> Probability of a negative return in any single year is less than 5%.
<b>Strategic Target Asset Allocation</b>	 <p>100%</p> <p>■ cash 100%</p>	 <p>20% 20% 40% 20%</p> <ul style="list-style-type: none"> <li>■ Cash 20% (10-40%)</li> <li>■ Australian Fixed Interest 40% (28-50%)</li> <li>■ International Fixed Interest (Hedged) 20% (0-30%)</li> <li>■ Australian shares 20% (10-32%)</li> </ul> <p>Defensive Assets: 80% (68-90%)</p> <p>Growth Assets: 20% (10-32%)</p>

	LESF MySuper Option	LESF Equities Option																														
<b>Suitability</b>	Likely to suit members with a longer term investment time frame, seeking sound returns above inflation, and who are able to tolerate a medium to high level of investment risk.	Likely to suit members with a longer term investment time frame, seeking returns above inflation, who are able to tolerate a high level of investment risk.																														
<b>Investment Return Objective</b>	LESF MySuper option aims to achieve a return before tax but after investment costs equal to or better than inflation plus 3% p.a. when measured over any 10 year period.	The Equities option aims to achieve a return before tax but after investment costs equal to or better than inflation plus 4% p.a. when measured over any 10 year period.																														
<b>Investment Strategy</b>	The Trustee's strategy to meet the objective is to invest in growth assets (Australian and International shares), with some exposure to fixed interest and cash.	The Trustee's strategy to meet the objective is to invest almost entirely in Australian and International shares with a very small exposure to cash.																														
<b>Minimum suggested timeframe for investing</b>	10 years	10 years																														
<b>Risk Level</b>	<b>High</b> Probability of a negative return in any single year is less than 20%.	<b>Very High</b> Probability of a negative return in any single year is less than 33%.																														
<b>Strategic Target Asset Allocation</b>	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>Allocation</th> <th>Range</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>5%</td> <td>(2-42%)</td> </tr> <tr> <td>Australian Fixed Interest</td> <td>15%</td> <td>(8-25%)</td> </tr> <tr> <td>International Fixed Interest (Hedged)</td> <td>10%</td> <td>(0-16%)</td> </tr> <tr> <td>Australian shares</td> <td>35%</td> <td>(22.5-45%)</td> </tr> <tr> <td>International shares (Unhedged)</td> <td>35%</td> <td>(22.5-45%)</td> </tr> </tbody> </table> <p>Defensive Assets: 30% (15-55%)</p> <p>Growth Assets: 70% (45-85%)</p>	Asset Class	Allocation	Range	Cash	5%	(2-42%)	Australian Fixed Interest	15%	(8-25%)	International Fixed Interest (Hedged)	10%	(0-16%)	Australian shares	35%	(22.5-45%)	International shares (Unhedged)	35%	(22.5-45%)	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>Allocation</th> <th>Range</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>2%</td> <td>(2-32%)</td> </tr> <tr> <td>Australian shares</td> <td>49%</td> <td>(34-60%)</td> </tr> <tr> <td>International shares (Unhedged)</td> <td>49%</td> <td>(34-60%)</td> </tr> </tbody> </table> <p>Defensive Assets: 2% (2-32%)</p> <p>Growth Assets: 98% (68-98%)</p>	Asset Class	Allocation	Range	Cash	2%	(2-32%)	Australian shares	49%	(34-60%)	International shares (Unhedged)	49%	(34-60%)
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	LESF High Growth Option	LESF Listed Property Option																												
<b>Suitability</b>	Likely to suit members with a longer term investment time frame, seeking sound returns above inflation, who are able to tolerate a high level of investment risk.	Likely to suit members with a longer term investment time frame, seeking sound returns above inflation, who are able to tolerate a high level of investment risk.																												
<b>Investment Return Objective</b>	The High Growth option aims to achieve a return before tax but after investment costs equal to or better than inflation plus 4.0% when measured over any 10 year period.	The Listed Property option aims to achieve a return before tax but after investment costs equal to or better than inflation plus 2.5% when measured over any 10 year period.																												
<b>Investment Strategy</b>	The Trustee's strategy to meet the objective is to invest in a diversified portfolio of growth and defensive assets with a strong bias towards Australian and international shares.	The Trustee's strategy to meet the objective is to invest in a portfolio of listed Australian and international property securities with a bias towards Australian property.																												
<b>Minimum suggested timeframe for investing</b>	10 years	10 years																												
<b>Risk Level</b>	<b>High</b> Probability of a negative return in any single year is less than 25 %	<b>High</b> Probability of a negative return in any single year is less than 25%																												
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## FUND AND TRUSTEE INFORMATION

### Trustee

The trustee of LESF Super is The Trust Company (Superannuation) Limited (TTCSL). TTCSL was appointed as trustee on 22 September 2014, following the retirement of the previous trustee CCSL Limited. Both CCSL Limited and TTCSL are member companies of the Diversa Group. The people involved with the management of LESF Super remain unchanged.

As Trustee, TTCSL aims to ensure that all legal and compliance obligations are properly met. It is responsible for compliance with the Trust Deed of the Fund, including ongoing satisfaction of legislative requirements, and monitoring of risk controls as specified in its risk management framework. In summary, TTCSL's role as Trustee generally incorporates:

- Fund registration
- Issue of disclosure documents
- Compliance monitoring against legislative and regulatory requirements
- Risk Management

To satisfy capital requirements under superannuation legislation, the Trustee has the benefit of an approved guarantee of \$5 million from a financial institution. You can inspect the approved guarantee at the Trustee's offices.

### Board of Directors

The Trustee is governed by a Board of Director. Details of Trustee Board Directors for both CCSL and TTCSL are as follows:

- Mark Cerché - Chairman
- Murray Jones - Director
- Andrew de Vries - Director
- Vincent Parrott - Executive Director

### Remuneration

The directors of the Board did not receive and are not due any remuneration from the Fund in connection with the management of the Fund. Any Directors fees are paid by TTCSL.

### Indemnity Insurance

The Trustee holds professional indemnity insurance.

### Compliance

LESF is regulated and complies with the Superannuation Industry (Supervision) Act (1993) ("SIS Act"). The Fund lodges a return with APRA every year and has not received a notice of non-compliance from APRA. No penalties have been imposed in respect of the Fund under the relevant superannuation legislation.

### Service Providers

The Fund is managed by the Trustee in accordance with the Trust Deed and Rules of the Fund. The Trust Deed permits the Trustee to appoint administrators, auditors, Investment Managers and advisers to assist with the management of the Fund. The Trustee has exercised this right. The Trustee has appointed the following service providers to manage certain aspects of LESF's operations, or provide specialist advice to the Trustee:

- **Custodian**

The Trustee has appointed Sandhurst Trustees Limited as Custodian to hold assets of LESF on behalf of the Trustee.

- **Investment Manager**

The Trustee has appointed Tempo Asset Management Pty Ltd as an investment manager to more actively manage a portion of the Fund's assets.

- **Administrator and Promoter**

The Administration and promotion of the Fund is conducted by Diversa Superannuation Services Limited ("DSS"), ABN 77 107 165 962, AFSL 273321. DSS provides super fund administration, product management, and marketing services to the Fund.

- **Group Life Insurer**

The Colonial Mutual Life Assurance Society Limited (CommInsure) ABN 12 004 021 809 AFSL 235035 acts as the Group Insurer to the Fund.

**Note:** Diversa Limited has been the sole shareholder of the Trustee since 1 September 2014. On an arms length basis, Fund Administration is outsourced to DSS, a subsidiary business of Diversa Limited.

## FINANCIAL AND INVESTMENT INFORMATION

### Fund Accounts

Abridged financial information for the Fund for the Financial Year ended 30 June 2015 is provided on page 14.

The audited Fund financial accounts and audit report are available to members from the LESF Member Services on 1800 359 686 or are available on the website [www.lesf.com.au](http://www.lesf.com.au). A printed copy of the audited Fund financial accounts and audit report is also available upon request.

### Asset Holdings and Significant Investment

Investments held by LESF Super that comprised 5% or more of the Fund's assets at 30 June 2015 were:

Table 4 - LESF Investment		
Investment	Value	% Fund Assets
SSGA Australian Equities Index Trust	\$25,171,656	28.10%
Tempo Global Equity Fund - Seed Class	\$18,133,003	20.24%
SSGA International Equities Index Trust	\$12,563,985	14.03%
SSGA Australian Fixed Income Index Trust	\$7,144,203	7.98%

In addition, the following managers manage a combination of investments which have a value in excess of 5% of the total assets of the Fund:

- State Street Global Advisor, Australia Services Limited
- Tempo Asset Management Pty Ltd

**LESF Super**  
**Abridged Statement of Financial Position**

	30/06/2015 (\$)	30/06/2014 (\$)
<b>NET ASSETS AVAILABLE TO PAY BENEFITS AT THE START OF YEAR</b>	<b>86,293,259</b>	<b>80,158,062</b>
<b>Assets</b>		
<b>Cash and Cash Equivalents</b>		
Cash	13,391,762	1,225,825
<b>Receivables</b>		
Investment income receivable	1,783,069	1,063,123
GST receivable	10,713	13,667
Contributions Receivable	784,210	61,877
	<u>2,577,992</u>	<u>1,138,667</u>
<b>Investments</b>		
Unlisted Unit trusts	73,414,353	40,675,672
Pooled Superannuation Trusts	0	43,203,954
	<u>73,414,353</u>	<u>83,879,626</u>
<b>Tax Assets</b>		
Current tax assets	0	233,601
Deferred tax assets	196,247	5,344
	<u>196,247</u>	<u>238,945</u>
<b>TOTAL ASSETS</b>	<b><u>89,580,354</u></b>	<b><u>86,483,063</u></b>
<b>Liabilities</b>		
Other payables	1,339,046	185,574
Benefits payable	12,069	4,230
	<u>1,351,115</u>	<u>189,804</u>
<b>Tax Liabilities</b>		
Current tax liabilities	178,413	0
	<u>178,413</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,529,528</u></b>	<b><u>189,804</u></b>
<b>NET ASSETS AVAILABLE TO PAY BENEFITS AT THE END OF YEAR</b>	<b><u>88,050,826</u></b>	<b><u>86,293,259</u></b>
<b>Represented by:</b>		
<b>Liability for accrued benefits</b>		
Allocated to members' accounts	87,429,305	86,087,485
Unallocated to members' accounts	334,259	31,774
	<u>87,763,564</u>	<u>86,119,259</u>
Reserves	287,262	174,000
	<u>88,050,826</u>	<u>86,293,259</u>

## CURRENT SUPER & TECHNICAL INFORMATION

For the year ending 30 June 2015, there were a number of important changes affecting superannuation. A summary of key changes follows.

### Superannuation Guarantee (SG)

The SG rate has increased from 9.25% to 9.5% effective 1 July 2014. As a result of legislation passed by Federal Parliament on 2 September 2014, the SG rate of 9.5% will remain until 2021, then increase to 12% from 1 July 2025, by 0.5% increments each year.

Year Starting 1 July	SG rate
2014	9.5%
2015	9.5%
2016	9.5%
2017	9.5%
2018	9.5%
2019	9.5%
2020	9.5%
2021	10%
2022	10.5%
2023	11%
2024	11.5%
Year starting on or after 1 July 2025	12%

### Early Release of Super Benefit due to Terminal Illness

Under the previous regulations, a person can qualify for early access to their super if they are diagnosed with an illness that, despite reasonable medical treatment, is likely to result in the person's death within 12 months as certified by 2 registered medical practitioners.

Under new laws that were passed in June 2015, you can withdraw your superannuation balance if 2 registered medical practitioners (including one specialist in the field relating to the illness) certify that you have less than 24 months to live. If you choose to do so and wish to claim any insured benefit at a later date, you should make sure you leave enough funds in your super account to pay the ongoing premium until an insurance claim is made.

For further information, please refer to the Terminal Illness factsheet which is available on the website [www.lesf.com.au](http://www.lesf.com.au).

### Providing your Tax File Number (TFN)

It is important to provide your TFN to the Fund. Although it's up to you whether or not to provide your TFN to us, if we don't have your TFN, you could be disadvantaged in a number of ways:

- Higher tax on contributions and benefits;
- No personal contributions can be accepted;
- Difficult to locate your lost super;
- Unable to receive Government co-contributions and /or LISC.

You can provide your TFN to us by:

- Calling our Member Services Team on 1800 359 686; or
- Completing and returning a *Change of Member Details / TFN notification* form, which you can download from our website [www.lesf.com.au](http://www.lesf.com.au).

### Superannuation Thresholds Update

Superannuation contributions are subject to contribution caps with strict penalties in place if these limits are exceeded. Refer to Table 6 - Updated Superannuation Threshold on page 16 for more information.

### Monitoring Contribution Caps

We do not monitor the contribution cap for concessional contributions (e.g. employer contributions or salary sacrifice). For personal contributions, we do not monitor the aggregate amount. **It is your responsibility** to ensure that you do not exceed these caps through multiple contributions.

For additional information, please refer to the LESF Super Additional Information Guide.

**Table 6 - Updated Superannuation Thresholds**

Threshold	FY 2014/15	FY 2015/16
<b>Concessional contribution cap (per annum)</b>		
<ul style="list-style-type: none"> <li>• Under 50 years old</li> <li>• Turning 50 years old or older</li> </ul>	\$30,000 \$35,000	\$30,000 \$35,000
<b>Non - Concessional contribution cap (per annum)</b>		
<ul style="list-style-type: none"> <li>• Standard</li> <li>• Transitional - bring forward over three years to age 65</li> </ul>	\$180,000 \$540,000	\$180,000 \$540,000
<b>CGT cap amount (lifetime limit)</b>	\$1,355,000	\$1,395,000
<b>Superannuation Guarantee maximum contribution base (per quarter)</b>	\$49,430	\$50,810
<b>Co-contribution (per annum)</b>		
<ul style="list-style-type: none"> <li>• Lower income threshold</li> <li>• Higher income threshold</li> </ul>	\$34,488 \$49,488	\$35,454 \$50,454
<b>Maximum adjusted taxable income for the Government low income superannuation contribution</b>	\$37,000	\$37,000
<b>Tax free part of bona fide redundancy and approved early retirement scheme payments (per payment)</b>		
<ul style="list-style-type: none"> <li>• Base limit</li> <li>• Per completed year of service</li> </ul>	\$9,514 \$4,758	\$9,780 \$4,891
<b>Low rate cap amount (lifetime limit)</b> (Previously known as post June 1983 low tax threshold) Applies to the taxable component of taxed super fund benefits for members aged 55-59	\$185,000	\$195,000
<b>Untaxed plan cap amount</b> Applies to the taxable component of untaxed super fund benefits	\$1,355,000	\$1,395,000
<b>Employment termination payment cap</b>	\$185,000	\$195,000

Contact the LESF Member Services Team on 1800 359 686 for more information on contributions held in your member account.

### Contribution Caps & Your Super

Australian superannuation and taxation rules are complex. You should obtain professional advice on how the contribution caps may affect your superannuation.



## Lowered Deeming Rates and Adjusted Deeming Thresholds

Effective from 20 March 2015, the deeming rates applicable to financial assets when claiming the Age Pension were lowered.

On 1 July 2015, the lower asset value thresholds were also adjusted as in Table 7 below.

Table 7 - Deeming Rates and Thresholds				
Family Situation	OLD		NEW (from 1 July 2015)	
	Deeming thresholds	Deeming rates	Deeming thresholds	Deeming rates
Single	\$0-\$48,000	2.0%	\$0-\$48,600	1.75%
	Above \$48,000	3.5%	Above \$48,600	3.25%
Couple - per person	\$0-\$39,800	2.0%	\$0-\$40,300	1.75%
	Above \$39,800	3.5%	Above \$40,300	3.25%
Couple - combined	\$0-\$79,600	2.0%	\$0-\$80,600	1.75%
	Above \$79,600	3.5%	Above \$80,600	3.25%

### Your Social Security Benefits

As pensions are complex and give rise to different taxation and social security implications, you should consult your financial planner to obtain advice on your personal situation.

## OTHER IMPORTANT INFORMATION

### Change of Custodian and Bank Account

In September 2014, the Trustee appointed Sandhurst Trustees Limited as the custodian of the Fund.

As a result, the LESF bank account for all member contributions has changed. All future contributions and rollovers should be made to:

**Bank:** Bendigo and Adelaide Bank

**BSB:** 633-000

**Account No:** 152 538 906

**Account Name:** Sandhurst Trustees Ltd ACF LESF Super - Application Account

Please remember that any direct deposits to this account must be notified to the administrator at [lesf@diversa.com.au](mailto:lesf@diversa.com.au). If you do not, there may be delays in processing contributions to your account.

Contact the LESF Member Services Team if you have any queries about this change on 1800 359 686.

### Payment of Lost Member Accounts

Where LESF has identified a member as lost either due to the member's inactivity, or because they are uncontactable and the Fund has not received a contribution or rollover in the last 12 months, the Fund is required to transfer the member's accounts to the ATO as unclaimed moneys if:

- The lost member's account is less than \$2,000 (this threshold is proposed to increase to \$4,000 from 31 December 2015 and to \$6,000 from 31 December 2016); or
- The lost member's account is inactive and the Fund has not received an amount in the last 12 months and there are insufficient records to locate the member in the future.

To avoid becoming a Lost Member or having your account transferred to the ATO, it is important that you advise the Trustee of any change in your contact details.

### Eligible Rollover Fund

Subject to any obligation to pay lost member money to the ATO, if you become a lost member, the Trustee may transfer your benefit to an Eligible Rollover Fund (ERF). An ERF receives and invests the members' entitlements in certain circumstances. Currently the ERF used by LESF is the Super Money Eligible Rollover Fund ("SMERF"). Contact details are:

### SMERF

PO Box A2499

Sydney South NSW 1235

Tel: 1800 114 380

Email: [smerf@diversa.com.au](mailto:smerf@diversa.com.au)

Website: [www.smerf.com.au](http://www.smerf.com.au)

If your benefits are transferred to SMERF:

- you will no longer be a member of LESF;
- You will lose both your investment choice and insurance cover in LESF;
- You will become a member of SMERF and will be subject to its terms and conditions including having to contact SMERF to arrange payment or transfer your entitlement.

You can obtain a Product Disclosure Statement (PDS) by contacting SMERF directly. If your benefit is transferred to SMERF you will need to contact the SMERF administrator in order to deal with your investment. The Trustee of LESF reserves the right to change its ERF at any time.

The Trustee of LESF is the Trustee of SMERF.

**Note:** It is important that you inform LESF of any changes to your address details to ensure you are not transferred to the Eligible Rollover Fund unnecessarily.

### Access to Reports, Information and Inquiries

You may request a copy of any of the following documents:

- Auditor's report and audited financial statements for the latest Financial Year
- Trust Deed

You may also request information from the Trustee to help you understand and make an informed judgement about:

- your benefit entitlements;
- the main features of LESF;
- the management and financial condition of LESF; and
- LESF's investment performance.

## LESF Website and LESF Online

LESF's website provides members with up to date information about the Fund, its investments and strategies, as well as the most recent returns of each investment option, annual reports, information and notices that have been sent to members. Download the latest LESF product disclosure statement, and additional information guide and forms.

LESF online is a secure online member access facility. Using LESF online, members are able to obtain up to date information about their specific super member account including account balances, investment transactions, contribution history and personal details such as your contact details or whether beneficiaries are correct. Members can also easily update the personal details and complete investment switching.

If you are not already using LESF online, please call LESF 1800 359 686 to register for a User ID and pin number.

## Enquiries and Complaints

If you have an enquiry you should contact the Enquiries and Complaints Officer (contact details are below).

If your enquiry is not resolved to your satisfaction or you wish to make a formal complaint you can write, call or email the Enquiries and Complaints Officer with details of your complaint. Depending on the nature of your complaint we may ask for your complaint in writing. The matter will be investigated and we will endeavour to advise you of our decision within 45 days of receipt of the complaint, however, complicated complaints may take longer to respond to.

Please note that under current superannuation legislation the trustee has up to 90 days from receipt of the complaint to provide a response. Complaints will be dealt with in accordance with the Trustee's Complaints Handling Policy.

### *Enquiries and Complaints Officer*

LESF Super

- PO Box A2499, Sydney South, NSW 1235
- Telephoning 1800 359 686, or;
- E-mail [lesf@diversa.com.au](mailto:lesf@diversa.com.au)

If you are not satisfied with the Fund's handling of your complaint, or its resolution, you may contact the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain superannuation complaints. You should ring to find out whether the SCT can handle your complaint and the type of information you need to provide.

The SCT can be contacted as follows:

### Superannuation Complaints Tribunal

- Locked Bag 3060
- GPO MELBOURNE VIC 3001
- T: 1300 884 114
- W: [www.sct.gov.au](http://www.sct.gov.au)

## **CONTACT DETAILS**

### **Trustee:**

The Trust Company (Superannuation) Limited

T: (03) 9616 8600

P: GPO Box 3001, Melbourne VIC 3001

### **Administrator & Promoter:**

Diversa Superannuation Services Limited

T: 1800 359 686

P: PO Box A2499, Sydney South NSW 1235

F: (02) 9262 7473

E: lesf@diversa.com.au