

The *Notes to your Annual statement* and your accompanying *Annual statement*, combined make up your statement.

Income account

The following contains further information relevant to your account as well as descriptions of some of the possible items that could appear in a statement. If there are items detailed in these *Notes* that don't appear on your statement, don't be alarmed. This simply means they aren't relevant to you for this year.

If you would like any information on the items which appear in your statement, please contact us on **13 11 84**.

Sunsuper 2018 Annual report

Super funds are able to provide members with their annual report by making it available on their website. From November, the Sunsuper 2017/18 *Annual report* will be available at sunsuper.com.au/annualreport. If you would prefer a printed copy free of charge, please contact us and we will send you one.

Investment returns for Retirement income accounts

Returns to 30 June 2018 for Retirement Income accounts ¹								
	Commencement Date	Since Commencement ¹	1 year (% p.a.)	3 years (% p.a.)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)	
DIVERSIFIED OPTIONS	Growth	n/a	n/a	13.8%	10.7%	11.9%	10.8%	7.6%
	Balanced	n/a	n/a	11.8%	9.5%	10.9%	10.1%	7.7%
	Balanced-Index	01-Jul-10	9.6%	9.9%	7.9%	10.0%	10.0%	n/a
	Socially Conscious Balanced	01-Jul-10	8.8%	10.3%	6.6%	8.8%	8.9%	n/a
	Retirement	n/a	n/a	9.2%	7.6%	8.5%	8.1%	6.5%
	Conservative	n/a	n/a	6.6%	6.1%	6.8%	6.9%	6.5%
	Diversified Alternatives	30-Sept-17	9.2%	n/a	n/a	n/a	n/a	n/a
SINGLE ASSET CLASS OPTIONS	Shares	01-Jul-10	11.0%	14.8%	10.1%	12.1%	10.9%	n/a
	Australian Shares	n/a	n/a	15.4%	10.8%	11.6%	10.3%	8.0%
	Australian Shares - Index	n/a	n/a	14.5%	10.2%	11.2%	10.1%	7.2%
	International Shares - Index (hedged)	n/a	n/a	12.3%	10.4%	13.3%	12.9%	9.1%
	International Shares - Index (unhedged)	01-Jul-10	13.9%	16.4%	10.7%	15.6%	15.5%	n/a
	Emerging Market Shares	01-Jul-10	5.1%	12.6%	6.3%	8.0%	5.9%	n/a
	Property	n/a	n/a	10.4%	9.2%	10.4%	9.7%	6.5%
	Australian Property - Index	n/a	n/a	13.2%	10.0%	12.2%	13.6%	6.2%
	Diversified Bonds	01-Jul-10	5.6%	2.4%	3.5%	4.2%	5.1%	n/a
	Diversified Bonds - Index	n/a	n/a	2.3%	4.1%	5.0%	5.8%	6.6%
	Cash	n/a	n/a	2.3%	2.4%	2.7%	3.3%	3.8%
	Capital Guaranteed	n/a	n/a	2.9%	3.3%	3.7%	4.1%	4.0%

¹ Where an investment option has less than 10 years of performance data, the since commencement return is reported. The since commencement return figure is the actual return (%p.a., where applicable) the option has achieved from commencement to 30 June 2018.

Note: Past performance is not a reliable indication of future performance. Returns are after Investment fees and costs. A super fund's investment performance typically varies over time. Because super is a long-term investment, five and ten-year figures smooth out short-term results – for example, in a given fund over a five year period, a growth option might have a negative return for one year but a positive return for the other four years, giving an overall result that is positive for the five years. The returns shown above are not necessarily the same as the return on investments held by individual members. The actual return received by individual members will depend on the timing of payments and other transactions and the unit prices that applied on the dates those transactions took place.

Investment returns for *Transition to retirement income accounts*

Returns to 30 June 2018 for <i>Transition to retirement income accounts</i> ¹						
		1 year (% p.a.)	3 years (% p.a.)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)
DIVERSIFIED OPTIONS	Growth	12.3%	9.7%	10.7%	9.7%	6.8%
	Balanced	10.7%	8.6%	9.8%	9.2%	6.9%
	Balanced-Index	8.8%	6.9%	9.0%	9.1%	6.8%
	Socially Conscious Balanced	9.3%	6.0%	7.9%	8.0%	6.2%
	Retirement	8.1%	6.7%	7.5%	7.1%	5.7%
	Conservative	5.8%	5.4%	6.0%	6.0%	5.7%
	Diversified Alternatives ²	n/a	n/a	n/a	n/a	n/a
SINGLE ASSET CLASS OPTIONS	Shares	13.8%	9.4%	11.1%	9.9%	7.1%
	Australian Shares	14.1%	9.9%	10.5%	9.4%	7.2%
	Australian Shares - Index	12.6%	9.1%	9.9%	9.2%	6.5%
	International Shares - Index (hedged)	11.2%	9.5%	11.9%	11.4%	8.1%
	International Shares - Index (unhedged)	15.2%	10.1%	14.4%	14.4%	8.9%
	Emerging Market Shares	11.5%	5.8%	7.3%	5.3%	3.7%
	Property	9.4%	8.6%	9.5%	8.9%	5.9%
	Australian Property - Index	11.8%	9.0%	11.0%	12.6%	5.9%
	Diversified Bonds	2.1%	3.1%	3.7%	4.5%	6.2%
	Diversified Bonds - Index	1.9%	3.5%	4.3%	5.2%	5.8%
	Cash	1.9%	2.1%	2.3%	2.8%	3.3%
	Capital Guaranteed	2.5%	2.9%	3.2%	3.4%	3.4%

¹All historical *Transition to retirement income account* returns shown here reflect investment tax of up to 15%. It is important to note that this tax did not apply to *Transition to retirement income account* returns before 1 July 2017. Actual *Transition to retirement income account* returns prior to 1 July 2017 were the same as *Retirement income account* returns. Visit sunsuper.com.au/performance for full details of Sunsuper's historical investment performance.

²The Diversified Alternatives investment option commenced on 30 September 2017. The return from 30 September 2017 to 30 June 2018 was 8.3%.

Note: Past performance is not a reliable indication of future performance. Returns are after Investment fees and costs and investment tax. A super fund's investment performance typically varies over time. Because super is a long-term investment, five and ten-year figures smooth out short-term results – for example, in a given fund over a five year period, a growth option might have a negative return for one year but a positive return for the other four years, giving an overall result that is positive for the five years. The returns shown above are not necessarily the same as the return on investments held by individual members. The actual return received by individual members will depend on the timing of payments and other transactions and the unit prices that applied on the dates those transactions took place.

Your account at a glance

Balance at 1 July 2017

This is the amount you had in your account at 1 July 2017. Had you left Sunsuper then, your withdrawal benefit would have been this amount less \$40, the exit fee. (Note: The exit fee on a *Transition to retirement income account* is \$47. A net fee of \$40 is deducted).

Tax deducted from gross income payments

Income payments are subject to Pay As You Go (PAYG) tax for persons under 60 years. This means that income payments from your account whilst you are under 60 years are included in your assessable income for tax purposes and are taxed at your marginal tax rate (plus Medicare levy).

Tax deducted from gross lump sum withdrawals

Lump sum withdrawals are subject to Pay As You Go (PAYG) tax for persons under 60 years. This means that lump sum withdrawals from your account whilst you are under 60 years are included in your assessable income for tax purposes.

Balance at 30 June 2018

This is the amount you had in your account at 30 June 2018. Had you left Sunsuper then, your withdrawal benefit would have been this amount less \$40, the exit fee. (Note: The exit fee on a *Transition to retirement income account* is \$47, a net fee of \$40 is deducted). Your balance is calculated by multiplying the number of units you have in each investment option by the unit price for each option. As the unit prices are calculated on a daily basis, the value of your account may change daily. If you are leaving Sunsuper you should contact us to find out the value of your account at that time.

Investment returns to 30 June 2018

This section if included in your *Annual statement* shows the 1, 5 and 10 year return for the investment options you were invested in as at 30 June 2018. This is not necessarily the same as the return you received as the actual return received by an individual member will depend on the timing of transactions and the unit prices that applied on the dates those transactions took place.

Your income payments from 1 July 2018

This section shows how you have asked us to allocate payments from your account.

Your personal details

Beneficiaries (reversionary, binding or preferred)

This lists the people you nominated to receive your death benefit from your account when you die. If you made a:

- reversionary beneficiary nomination, you may amend or revoke a reversionary nomination at any time. The Trustee has no discretion in relation to whom the benefit is to be paid, provided your nominated spouse or de facto was your spouse or de facto at the time of your death.
- binding beneficiary nomination, the Trustee has no discretion and is bound to pay your death benefit to your nominated beneficiary(s) provided the person(s) nominated is (are) your dependant or legal personal representative, the proportion of benefit to be paid to each person is readily ascertainable, the nomination is valid and less than 3 years old, and there is no contrary court order. You may confirm, amend or revoke a binding nomination at any time.
- preferred beneficiary nomination, it acts as a guide for the Trustee, who in most cases will pay your benefits to your preferred beneficiary(s), but not always, as the Trustee has a responsibility to make sure your benefits are distributed in an appropriate manner.

It's important to regularly review your nominated beneficiaries as your life changes. For more information on the types of beneficiaries you can nominate please refer to the latest *Sunsuper for life guide*, visit sunsuper.com.au/beneficiary or contact us.

Your statement in detail

Transfers-in

This section shows the total amount deposited into your account.

Former members of Kinetic Super: Kinetic Super merged into Sunsuper on Saturday 12 May 2018, with an effective transfer date of your account balance on the next business day, being 14 May 2018.

Net investment earnings

This section shows the amount of money your investment has made, or lost, over the year, after investment fees and costs and, where applicable, investment tax.

Income payments

This shows the total amount of payments you have received from your account, less any applicable tax.

Lump sum withdrawals

This shows the total amount of money you have withdrawn from your account or transferred to another super fund or retirement product, less any applicable tax.

Additional explanation of fees and costs

Administration fees

The Administration fee - Flat fee is generally deducted weekly. The Administration fee - Percentage fee is generally deducted monthly. The Administration fees table shows the total Administration fees you paid over the 2017/2018 year. To view a detailed list of transactions on your account, log in to *Member Online*.

Other fees

This amount includes any exit fees, advice fees or family law legislation fees.

Investment fees

Investment fees were not deducted directly from your account. Instead they were deducted daily from the investment options as part of the calculation of daily unit prices. To allow you to better understand the effect of these fees on your account balance, we show them as an approximate dollar amount.

Indirect costs of your investment

Indirect costs were not deducted directly from your account. Instead they were incurred within underlying investments and deducted from investment returns prior to the calculation of daily unit prices. To allow you to better understand the effect of these costs on your account balance, we show them as an approximate dollar amount. The estimated indirect cost ratio for your investment in 2017/2018 is the ratio of the total indirect costs to your average account balance over the financial year.

Transactional and operational costs

Transactional and operational costs include explicit and implicit costs. Explicit costs include brokerage, settlement costs (including custody costs) and stamp duty, and are included in the indirect costs. Implicit costs, which are effectively the difference between the price for the purchase and sale of an investment asset, are not included in the indirect costs. Transactional and operational costs are an additional cost to you, however they are not paid from your Sunsuper account as they are always incurred indirectly and as such are included in your net investment returns. The transactional and operational costs for each investment option (calculated using actual costs and reasonable estimates of costs incurred in 2017-18) are shown in the following table.

Investment option	Transactional and operational costs (% p.a. of your balance)
Growth	0.18%
Balanced	0.19%
Balanced - Index	0.10%
Socially Conscious Balanced	0.38%
Diversified Alternatives	0.52%
Retirement	0.16%
Conservative	0.14%
Shares	0.08%
Australian Shares	0.21%
Australian Shares - Index	0.01%
International Shares - Index (hedged)	0.00%
International Shares - Index (unhedged)	0.00%
Emerging Markets Shares	0.01%
Property	0.37%
Australian Property - Index	0.01%
Diversified Bonds	0.06%
Diversified Bonds - Index	0.10%
Cash	0.00%
Capital Guaranteed	0.00%

Borrowing costs

Borrowing costs are costs incurred by the underlying investment manager who may use borrowing or lending to facilitate certain investment strategies, and are not included in the indirect costs, investment fees or transactional and operational costs. You can find the borrowing costs in the *Sunsuper for life guide*, available at sunsuper.com.au/pds

Property operational costs

A property operational cost is a transactional and operational cost that relates to real property and does not relate to the acquisition or disposal of real property and is not a management cost. These costs are not included in the indirect costs, investment fees or transactional and operational costs. You can find the property operational costs in the *Sunsuper for life guide*, available at sunsuper.com.au/pds

Your investments

This section shows you how your money was invested.

Important information regarding the Capital Guaranteed investment option

If you have money invested in the Capital Guaranteed investment option it is important (particularly if your account balance is \$10,000 or more) for you to read this section which highlights the low risk, low return nature of this investment option. Where investments are made into capital guarantee superannuation products issued by life insurance companies or banks, the capital guarantee is provided by the life company or bank. Sunsuper itself does not guarantee the security of capital. While the capital value is guaranteed by the issuing life insurance companies or banks not to fall, the trade-off with this guarantee is that your longer-term returns may be lower than some less conservative options. This may limit the chances of achieving your financial goals. You may wish to consider other options that may provide higher returns over the long-term. You should also consider seeking financial advice on alternative investment arrangements before investing in or continuing to hold your funds in this option. As at 30 June 2018, the Capital Guaranteed investment option was invested in products issued by Suncorp and AMP, and cash deposits with Bankwest, Suncorp and ME Bank.

Your Death benefit

Consists of your account balance at the time the benefit is paid.

Your rebalancing nomination

This shows if you have asked us to rebalance your asset allocation. You can choose to rebalance your account once a year (your account will be rebalanced on or after 31 March each year using the 31 March unit price, where that day is a business day) or twice a year (your account will be rebalanced on or after 31 March and 30 September each year using the 31 March and 30 September unit prices respectively, where that day is a business day). Where the rebalance date (31 March or 30 September) falls on a non-business day, the rebalance will be processed using the unit price for the next business day.

Additional Information

We are obliged to provide you with any information on Sunsuper you reasonably require to understand your benefit entitlements. So if you would like more information on Sunsuper, or your investment options, visit sunsuper.com.au If you have any questions about your statement call **13 11 84**.

MySuper Product dashboard

The MySuper Product dashboard is designed to provide key information to help you compare Sunsuper's investments, fees and costs with other MySuper products and make an informed choice about your super. Our latest MySuper Product dashboard for the Lifecycle Investment Strategy is available on our website, visit sunsuper.com.au/dashboard

Concerns and complaints

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

Customer Service Team: **13 11 84**

sunsuper.com.au/contactus

Write to: Sunsuper Customer Relations Team GPO Box 2924
Brisbane QLD 4001

We will do everything we can to resolve the issue as quickly as possible. If you are still not happy or Sunsuper has not responded within 90 days, you can contact the Superannuation Complaints Tribunal (SCT). This is an independent body set up by the Federal Government to help resolve complaints through conciliation. Access to the SCT is free of charge.

The SCT's contact details are as follows:

Superannuation Complaints Tribunal
Locked Bag 3060 Melbourne VIC 3001.

Call: 1300 884 114

Email: info@sct.gov.au

Web: www.sct.gov.au

Important: Upcoming changes to the complaint resolution process

From 1 November 2018, a new body, the Australian Financial Complaints Authority (AFCA), will replace the SCT. From this day, AFCA will handle all new complaints relating to superannuation, as well as complaints about most other non-super financial services. This will not change how you can lodge a complaint with us. Access to AFCA is free of charge.

AFCA can be contacted as follows from 1 November 2018:

Australian Financial Complaints Authority

GPO Box 3 Melbourne VIC 3001

Call: 1800 931 678

Email: info@afca.org.au

Web: www.afca.org.au

☎ 13 11 84 (+61 7 3121 0700 when overseas)

✉ GPO Box 2924 Brisbane QLD 4001

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To help you get the most from your super, Sunsuper may send you marketing material from time to time. If you do not wish to receive this material, please contact us on **13 11 84**.

Disclaimer and disclosure Sunsuper Pty Ltd, ABN 88 010 720 840, AFSL No. 228975, is the issuer and Trustee of the Sunsuper Superannuation Fund, ABN 98 503 137 921, USI 98 503 137 921 001, MySuper Authorisation 98 503 137 921 996. All advice in this *Annual statement* is general advice only and does not take into account your objectives, financial situation or needs. Before acting on general advice, you should consider its appropriateness having regard to your objectives, financial situation and needs. You should consider the relevant *PDS* in deciding whether to acquire, or to continue to hold, the product. A copy of the *PDS* can be obtained by visiting sunsuper.com.au/pds, your *Business* or *Corporate* plan microsite or by calling **13 11 84**. We make every effort to ensure that the information shown on this statement is correct. Sunsuper reserves the right to make adjustments for any errors, misprints or omissions. We are committed to respecting the privacy of personal information you give us. Our formal Privacy Policy sets out how we do this. If you would like a copy of Sunsuper's Privacy Policy, please let us know. We have also published our Privacy Policy on our website sunsuper.com.au/privacy-policy Your 2018 *Annual statement* was prepared as at the date indicated on the final page of your statement. It is based on information we held and transactions we had processed up to 30 June 2018, except for your nominated beneficiaries, income payment nomination and rebalancing nomination which is based on information held when your statement was generated. These *Notes* to your *Annual statement* were prepared 16 August, 2018.