

# 2021 Annual report



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# About this Annual Report

This Annual Report is for members of the Grosvenor Pirie Master Superannuation Fund Series 2 – Grosvenor Pirie Super Sub Plan, ABN 32 367 272 075 R1001204 referred to in this Annual Report as GPMSF2, Grosvenor Pirie Super, the Fund or the Plan. The Fund contains more than one division. Information in this report relates to members of the Grosvenor Pirie Super division (“Grosvenor Pirie Super”) unless otherwise stated as relating to the Fund.

This Annual Report has been issued by Diversa Trustees Limited (the Trustee or Diversa Trustees or We) ABN 49 006 421 638, AFSL 235153 RSE Licence L0000635 as Trustee of Grosvenor Pirie Super. The Promoter of the Fund is Responsible Investment Services Pty Ltd ABN 77 630 578 200, AFS Representative No. 001271438. Responsible Investment Services is a Corporate Authorised Representative of True Oak Investments Ltd ABN 81 002 558 956 AFSL No. 238184.

This Annual Report should be read in conjunction with the Annual Member Statement recently provided to you, which shows your member entitlement in the Fund as at 30 June 2021. If you would like a hard copy of this Annual Report sent to you free of charge, please contact Grosvenor Pirie Super on 1300 658 422.

The information in this document is intended to provide you with general information only and does not take into account one or more of your personal objectives, financial situation and needs. Before making any financial decisions about Grosvenor Pirie Super, it is important that you consider the current product disclosure statement (PDS) relevant to your membership and consider your particular circumstances and whether the particular financial product is right for you.

The Fund is closed to new members so if you wish to access a previous PDS for the product this is available by calling Grosvenor Pirie Super on 02 8355 5149.

You should consult a financial adviser if you require personal advice.

# Governance

The Trustee of the Fund is Diversa Trustees Limited ('Diversa Trustees', 'Trustee') and is responsible for the ongoing management of the Fund. As Trustee, Diversa Trustees employ specialist providers to help look after the Fund and its investments which are outlined in the 'Directory' section at the end of this Annual Report.

As Trustee, Diversa Trustees 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, the Trustee's role generally incorporates:

- fund registration,
- issue of disclosure documents,
- compliance monitoring against legislative and regulatory requirements, and
- risk management.

## The names of the Directors of the Trustee as of 30 June 2021 are as follows:

- Michael Terlet (Chair),
- Vin Plant,
- Ron Beard,
- Andrew Peterson, and
- Fiona McNabb.

## 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. Directors fees are paid by Diversa Trustees Limited.

## Board committees

The Board of the Trustee is committed to strong principles of corporate governance, including continuous improvement of its performance and processes.

### NOTES:

#### Retirements:

Murray Jones retired as a Director on 16 February 2021

Robyn Fitzroy retired as a Director on 16 February 2021

Vincent Plant retired as Chair on 16 February 2021 however remains as Director

#### Appointments:

Michael Terlet was appointed as Chair on 16 February 2021

Ron Beard was appointed as a Director on 16 February 2021

The following committees assist the Board, which in some cases involves engagement of external experts:

- Investment Committee, and
- Audit, Compliance, Risk and Remuneration Committee.

No penalties were imposed this year on any responsible person under Section 38A of the *Superannuation Industry (Supervision) Act 1993*.

## **Professional indemnity insurance**

Diversa Trustees has professional indemnity insurance to protect the Trustee, its directors and the Fund against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant policy and complies with the requirements of Section 912B of the *Corporations Act 2001*.

## **The Trust Deed**

The governing rules of the Fund are set out in the Grosvenor Pirie Super Fund Trust Deed. The Board has some powers to alter the Trust Deed. A copy of the Fund Trust Deed can be found at [www.diversa.com.au/funds/](http://www.diversa.com.au/funds/).

## **Compliance**

Grosvenor Pirie Super is a product in Grosvenor Pirie Master Superannuation Fund Series 2 ABN 32 367 272 075 a regulated Superannuation Fund 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.

## **Internal Auditor**

The Trustee has appointed RSM Australia Pty Ltd, ABN 33 009 321 377 as the internal auditor of the Fund, to analyse and improve the controls and performance of the Fund. RSM Australia Pty Ltd can be contacted by writing to RSM Australia Pty Ltd, GPO Box 5138 NSW 2001. The Trustee may change internal auditors from time to time.

# Investments

## Grosvenor Pirie Super Values

Grosvenor Pirie Super provides superannuation products for personal superannuation members in both Accumulation and Pension phase. Grosvenor Pirie Super offers 5 investment options, namely the Conservative, Balanced, Balanced Growth, Growth and Pension investment options. The Fund does not offer a MySuper product and is closed to new members. For further information please refer to the Grosvenor Pirie Super website at [www.gpml.com.au](http://www.gpml.com.au).

The investment strategy of the Fund takes into account the following criteria:

- the risk involved in making, holding and realising investments, and the likely return from those investments, having regard to the Fund's objectives and its expected cash flow requirements,
- the composition of the Fund's investments as a whole including the extent to which the investments are diverse or involve the option of being exposed to risks from inadequate diversification,
- the liquidity of the Fund's investments having regard to its expected cash flow requirements, and
- the ability of the Fund to discharge its existing and prospective liabilities.

The objective, strategy and asset allocation for each of Grosvenor Pirie Super's investment options are provided below. The objective is not a promise or guarantee of a particular return or benefit but is utilised by the Trustee to measure the performance of the option.

Part of the Fund's assets may be allocated to external fund managers and their products. Asset allocations may vary from time to time for various reasons including asset allocation decisions and market movements.

The upper and lower limits of the benchmark may also vary from year to year, depending on changes to the Investment Strategy made by the Trustee.

Refer to the Grosvenor Pirie Super Product Disclosure Statement ("PDS") you received when joining the product including related incorporated information for more detailed information about the investment strategy and investment risks. For further details please contact Grosvenor Pirie Super on 02 8355 5149 or by emailing [members@gpml.com.au](mailto:members@gpml.com.au), or

You should consider the likely investment return and the risk and your investment time frame when choosing an investment option.

# Investment performance

The 2021 economic and financial year was an extraordinary one for society, financial markets and the global economy. Asset class returns for markets for the financial year to 30 June 2021 follow:

Asset class returns for the period are as follows Asset Class	Return* (%)
Cash	0.8%
Australian Bonds	4.2%
International Bonds (hedged)	6.1%
Australian Shares	-7.6%
Australian Property Securities	-20.7%
International Shares (hedged)	1.3%
International Shares (unhedged)	5.2%
Emerging Share Markets (unhedged)	6.6%

\*Capital and Income

Data source: Thomson Reuters DataStream and MSCI.

A superannuation funds investment performance typically varies over time. Because superannuation is a long-term investment, longer term returns (such as 5 and 10 investment returns) smooth out short term results.

Depending on the nature of each investment option (including its risk profile), an investment option may experience negative returns from time to time and it is generally not appropriate to assess the performance of an investment option by the return for a single year or other short-term periods.

Actual returns will be determined by the investment strategy adopted and prevailing market conditions. Information on investment performance relating to your Account specifically is provided in your Annual Member Statement for the year ended 30 June 2021.

## Investment Performance Returns % - Financial Year 30 June 2021<sup>2</sup>

Grosvenor Pirie returns as at 30 June 2021 <sup>1</sup>	1 year <sup>1</sup>	5 Years	10 Years	Since inception <sup>2</sup>
<b>Accumulation</b>				
Balanced Growth (closed to new members)	15.37%	6.00%	5.67%	5.80%
Conservative – Accumulation <sup>5</sup>	N/a	N/a	N/a	-1.21%
Balanced – Accumulation <sup>4</sup>	N/a	N/a	N/a	0.00%
Growth – Accumulation <sup>3</sup>	N/a	N/a	N/a	N/a
<b>Pension</b>				
Pension	5.59%	3.60%	5.45%	3.26%

Notes:

1. Returns are based on actual investment options. Returns shown for 1 year periods or longer are annualised amounts and are net of all investment fees, administration fees and taxes, excluding member direct fees. Returns are calculated using changes in the unit price. Past performance should not be relied upon as an indication of future returns.
2. Compound returns since inception are compound annualised averages and are net of all investment fees, administration fees and taxes excluding member direct fees. When the 5 or 10 years compound return is unable to be determined, the since inception return is provided.
3. Inception date for Grosvenor Pirie Super Growth was 20 March 2020 with no current members.
4. Inception date for the Grosvenor Pirie Super Balanced option was 20 March 2020 with no members until 28 June 2021.
5. Inception date for the Grosvenor Pirie Super Conservative option was 20 March 2020. With no members until 11 August 2020.

**Neither past performance nor volatility is a reliable indicator of what may happen in the future. Neither capital nor returns are guaranteed.**

**Past performance is calculated net of investment fees and taxes excludes fees charged to member Accounts directly, and does not take into account inflation Investment options.**



# Investment strategies

## Grosvenor Pirie Super investment strategies as at 30 June 2021

The tables following contain information regarding the investment strategies of the Fund for the year ended 30 June 2021. Details of investment options shown are not a guarantee of any particular benefit or return. The investment option objectives are used by the Trustee to measure the performance of the Fund's investments.

There were 5 investment options in the Fund for members of Grosvenor Pirie Super as at 30 June 2021:

- Conservative investment Strategy (for accumulation members),
- Balanced Investment strategy (for accumulation members),
- Balanced Growth Strategy (for accumulation members)
- Growth investment strategy (for accumulation members)
- Pension Strategy (for pension members)

The Balanced Growth Pension investment strategy is the only investment option available to Pension members. An Account-based pension can provide a flexible, tax-effective way to convert some or all of your superannuation into a regular income stream subject to minimum annual payment limit. The investment objectives and strategies of the investment options available to members of the Pension Account are the same as the objectives and strategies of the investment options available to Accumulation Account members, however no tax is applicable to pension assets (except effective from 1 July 2017 for transition to retirement pensions).

## Standard Risk Measure

The risk profile of the Fund's investment strategy is based on the Standard risk measure. The standard risk measure is based on industry guidance to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The standard risk measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a customer may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Customers should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

## Conservative investment strategy

### Investment Return Objective

CPI + 0.75% per annum over rolling three year periods (before tax and after investment costs).

### Investment Strategy

The option aims to invest in a diverse mix of assets with the majority in defensive assets of cash and fixed interest, with a modest investment in growth assets such as shares. The exposure to these asset classes will be obtained by primarily holding the assets in managed funds. This option aims to provide investors with the highest possible returns consistent with a Conservative investment strategy. Specific allocations may vary but the fund will retain a broad 70/30 split between income and growth assets.

Asset Classes and Benchmark Allocations	Upper Limit	Lower Limit	Benchmark
Australian Shares*	25%	5%	15%
International Shares*	15%	5%	10%
Emerging Markets	7.5%	2.5%	5%
Australian Listed Property	2.5%	0%	0%
<b>Total Growth</b>			<b>30%</b>
Australian Fixed Interest	40%	20%	30%
International Fixed Interest	30%	10%	20%
Australian Investment Grade Credit	25%	5%	15%
Cash	7.5%	2.5%	5%
<b>Total Defensive</b>			<b>70%</b>

### Suitability

The Conservative Fund is intended to be suitable for members comfortable with accepting an average level of risk.

### Recommended Minimum Investment Timeframe

Minimum 3 years

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

\* Risk Band 4: Medium (2 to less than 3 estimated negative annual returns over any 20 year period).

\* May include property securities and Real Estate Investment Trusts (REITs).

<sup>^</sup> Based on the Standard Risk Measure. For more information, refer to the Grosvenor Pirie Super Additional Information Guide.

## Balanced investment strategy

### Investment Return Objective

CPI + 1.75% per annum over rolling six year periods (before tax and after investment costs).

### Investment Strategy

The option aims to invest in a diverse mix of assets with the majority in growth assets such as shares, with a medium level of investment in defensive assets of cash and fixed interest. The exposure to these asset classes will be obtained by primarily holding the assets in managed funds. This option aims to provide investors with the highest possible returns consistent with a Balanced investment strategy. Specific allocations may vary but the fund will retain a broad 60/40 split between growth and income assets.

Asset Classes and Benchmark Allocations	Upper Limit	Lower Limit	Benchmark
Australian Shares*	40%	20%	30%
International Shares*	35%	15%	25%
Emerging Markets	7.5%	2.5%	5%
Australian Listed Property	2.5%	0%	0%
<b>Total Growth</b>			<b>60%</b>
Australian Fixed Interest	15%	5%	10%
International Fixed Interest	25%	5%	15%
Australian Investment Grade Credit	15%	5%	10%
Cash	7.5%	2.5%	5%
<b>Total Defensive</b>			<b>40%</b>

### Suitability

The Balanced Fund is intended to be suitable for members seeking growth that outpaces inflation and is designed for long term growth with possible short term fluctuations

### Recommended Minimum Investment Timeframe

Minimum 6 years

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

Risk Band 6: High (4 to less than 5 estimated negative annual returns over any 20 year period).

\*May include property securities and Real Estate Investment Trusts (REITs).

<sup>^</sup>Based on the Standard Risk Measure. For more information, refer to the Grosvenor Pirie Super Additional Information Guide.

## Balanced Growth investment strategy

Investment Return Objective			
CPI + 2.25% per annum over rolling 8-year periods (after fees and taxes)			
Investment Strategy			
<p>The option aims to invest in a diverse mix of assets with the majority in growth assets such as shares, with a modest invest in defensive assets of cash and fixed interest. The options exposure to these asset classes will be obtained by primarily holding these assets directly including Exchange Traded Funds (ETFs). The option also provides exposure to other assets referred to as “alternative assets”. This option aims to provide investors with the highest possible returns consistent with a 'Balanced' investment strategy, with a bias towards to Australian assets and an active asset allocation and security selection. Specific allocations may vary but the fund will retain a broad 70/30 split between growth and income assets and a bias toward Australian assets.</p>			
Asset Classes and Benchmark Allocations	Upper Limit	Lower Limit	Benchmark
Australian shares**	60%	35%	45%
International shares**	30%	10%	20%
Alternatives - Other***	10%	0%	5%
<b>Total Growth</b>			<b>70%</b>
Australian fixed interest	40%	10%	25%
Cash	15%	2.5%	5%
<b>Total Income</b>			<b>30%</b>
Suitability			
<p>The Balanced Growth Fund is intended to be suitable for members comfortable with accepting short term volatility in order to achieve higher returns.</p>			
Recommended Minimum Investment Timeframe			
Minimum 4 - 6 years			
Risk Level^			
Risk Band 5: Medium to High (3 to less than 4 estimated negative annual returns over any 20-year period).			

## Growth investment strategy

Investment Return Objective			
CPI + 2.5% per annum over rolling eight year periods (before tax and after investment costs).			
Investment Strategy			
The option aims to invest in a diverse mix of assets with the majority in growth assets such as shares, with a modest investment in defensive assets such as cash and fixed interest. The exposure to these asset classes will be obtained by primarily holding the assets in managed funds. This option aims to provide investors with the highest possible returns consistent with a Growth investment strategy. Specific allocations may vary but the fund will retain a broad 70/30 split between growth and income assets.			
Asset Classes and Benchmark Allocations	Upper Limit	Lower Limit	Benchmark
Australian Shares*	40%	20%	30%
International Shares*	30%	10%	20%
Emerging Markets	25%	5%	15%
Australian Listed Property	7.5%	2.5%	5%
<b>Total Growth</b>			<b>70%</b>
Australian Fixed Interest	25%	5%	15%
International Fixed Interest	23%	3%	13%
Australian Investment Grade Credit	2.5%	0%	0%
Cash	4.5%	0%	2%
<b>Total Defensive</b>			<b>30%</b>
Suitability			
The Growth Fund is intended to be suitable for members seeking growth that outpaces inflation and is designed for long term growth with possible short term fluctuations			
Recommended Minimum Investment Timeframe			
Minimum 8 years			
Risk Level <sup>^</sup>			
Risk Band 6: High (4 to less than 5 estimated negative annual returns over any 20 year period).			

\*May include property securities and Real Estate Investment Trusts (REITs).

<sup>^</sup>Based on the Standard Risk Measure. For more information, refer to the Grosvenor Pirie Super Additional Information Guide.

## Pension investment strategy

<b>Investment Return Objective</b>			
CPI + 0.75% per annum over rolling five year periods (after fees and taxes).			
<b>Investment Strategy</b>			
The option aims to invest predominantly in defensive investments such as fixed interest and cash, with a moderate investment in growth asset such as shares. The option's exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds. This option aims to provide secure income with a low risk of capital loss over the short to medium term, with some capital growth over the long term. That includes bias towards Australian assets and an active asset allocation and security selection. Specific allocations may vary but the strategy will retain a broad 30/70 split between growth and income assets			
<b>Asset Classes and Benchmark Allocations</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Benchmark</b>
Australian Shares*	30%	10%	25%
International Shares*	10%	0%	5%
Other	0%	0%	0%
<b>Total Growth</b>			<b>30%</b>
Australian Fixed Interest	75%	50%	65%
International Fixed Interest	15%	0%	0%
Cash	15%	2.5%	5%
<b>Total Defensive</b>			<b>70%</b>
<b>Suitability</b>			
The strategy is intended to be suitable for retirees seeking a conservative investment option.			
<b>Recommended Minimum Investment Timeframe</b>			
Minimum 2-6 years			
<b>Risk Level^</b>			
Risk Band 5: High (3 to less than 4 estimated negative annual returns over any 20 year period).			

\* May include property securities and Real Estate Investment Trusts (REITs).

^ Based on the Standard Risk Measure. For more information, refer to the Grosvenor Pirie Pension PDS.

# Investment allocation

## Gross assets of the Fund as 30 June 2021

The following table provides information on the portfolio allocation for all of the Grosvenor Pirie Super Fund investment options as at 30/06/2021.

Current Asset Allocation	30 June 2021	
	% of Assets	Amount \$'000
Australian shares*	46.71%	7,814
International shares	21.29%	3,562
Alternatives / Other	0.00%	-
Fixed Interest	27.77%	4,646
Cash	4.23%	707
<b>Total Assets</b>	<b>100.0%</b>	<b>16,729</b>

# Investment managers

## Significant investments

The assets of the Fund are invested in a range of investment funds or products. The table below provides information regarding the Fund's total holdings in the investment funds or products of the underlying fund managers managed the investment funds or products in which assets of the Grosvenor Pirie Super Fund were invested as at 30 June 2021.

As at 30 June 2021 assets inside Grosvenor Pirie Super which individually represent more than five (5) per cent of total assets were:

Assets	%	\$'000
Macquarie True Index Australian Fixed Interest Fund	27.77%	4,646
Macquarie True Index International Equities	21.29%	3,562
Macquarie True Index Australian Shares Fund	46.71%	7,814

Note: the underlying fund managers utilised by the Trustee for investment of the Fund's assets may be changed from time to time at the absolute discretion of the Trustee. They are shown in this report to provide historical information about the investments of the Fund during the year. You have no ability to choose the underlying fund managers utilised by the Trustee.

## Other considerations

### Derivatives

The Trustee does not permit any investments directly in any futures, options or other derivative instruments. However, external managers may use derivatives in managing pooled investment vehicles in which the Trustee invests. Derivatives may be used for the purpose of hedging transactions and managing risk.

## Labour standards, environmental, social and ethical considerations

Labour standards, environmental, social and ethical considerations are not taken into account in the selection, retention or realisation of investments for the Grosvenor Pirie Super investment strategy. Please refer to the PDS and Additional Information Guide you received on joining or contact Grosvenor Pirie Super on 02 8355 5149 for further information on Grosvenor Pirie Super's investment strategy.



# News in superannuation

This update was compiled as at December 2021 and is subject to change. For up to date information relating to taxation of superannuation, go to [ato.gov.au](http://ato.gov.au) or contact the Fund.

It's been another significant financial year, with further changes to laws by the Federal Government for superannuation, as well as amendments to support the economy through COVID-19, with certain opportunities becoming available, some of which may apply to you.

## Design and Distribution Obligations (DDO) Reform

The Design and Distribution Obligations (DDO) reform which commenced on 5 October 2021 is one of the most significant changes to regulation in the financial services industry in recent times. It requires, among other regulations that the Fund makes and provides a Target Market Determination (TMD) for each product covered by the reform.

### What is a TMD and when is it required

A TMD is a written document that describes the characteristics of a class of consumers that a financial product has been designed for. The TMD sets out how the product, and its key attributes meet the likely objectives, financial situation and needs of the

class of consumers. A TMD must contain certain information, which can be broken down into Content and Appropriateness requirements. Additionally, the TMD will contain Distribution Conditions. A TMD cannot be a simple restatement of the content of the Product Disclosure Statement (PDS) or other disclosure documents (i.e. the Additional Information Booklet or Insurance Guides).

From 5 October, 2021, a product cannot be distributed to retail consumers without a valid TMD in place. As new products are issued or new features are added a TMD will need to be created or reviewed. Products for which a PDS must be prepared such as interests in a superannuation Fund, or a managed investment scheme require a TMD to be provided.

## CONTRIBUTING AND TOPPING UP YOUR SUPER

### Contributions Caps

There are limits to the amounts of contributions you are able to make to your super each financial year in order to be taxed at lower rates. These limits are called contribution caps. The cap amount and how much tax you need to pay depends on your age, the financial year that the contribution relates to and whether the contributions are concessional (before-tax) or non-concessional (after-tax) contributions.

Caps for the upcoming financial year		2021	2022
Super Guarantee (SG) contributions		9.5%	10%
Concessional contributions cap		\$25,000	\$27,500
Non-concessional contribution cap		\$100,000	\$110,000
Super co-contributions (lower Income Threshold \$37,000, Higher Income Threshold \$56,112)		Max. \$500	Max. \$500
Low income super tax offset (LISTO) Adjusted taxable income up to \$37,000 (based on Concessional contributions made to the Fund)		Max. \$500	Max. \$500
Transfer Balance Cap		\$1,600,000	\$1,700,000
CGT cap		\$1,600,000	\$1,615,000
Low rate cap		\$215,000	\$225,000
-			
Minimum annual pension amount continues to be halved as in 2021	Under age 65	2.0%	2.0%
	Age 65 – 74	2.5%	2.5%
	Age 75 – 79	3.0%	3.0%
	Age 80 – 84	3.5%	3.5%
	Age 85 – 89	4.5%	4.5%
	Age 90 – 94	5.5%	5.5%
	Age 95 or more	7.5%	7.5%

## CARRY FORWARD ARRANGEMENTS

### Concessional cap – Carry forward arrangements

Since 1 July 2019, you have been able to carry forward an unused amount and increase your concessional contributions cap, but only if you had a total super balance of less than \$500,000 at the end of 30 June in the previous year.

Unused amounts of your concessional contributions cap are available to you for a maximum of five years, and will expire after this if not used.

### Non Concessional contribution cap – Bring-forward arrangements

Since the 2021 financial year, you have been able to extend the non-concessional cap Bring-forward rule up to the age of 67. You may be able to make non-concessional contributions up to three times the annual non-concessional contributions cap in a single year in any one three-year-period.

That is, up until 30 June 2021, you can contribute up to \$300,000 in any one three-year period, depending on your total superannuation balance. From 1 July 2021, this increased to \$110,000 p.a. or under the Bring Forward arrangements, up to

\$330,000 in any one, three-year period, as long as your total superannuation balance remains under the Transfer Balance Cap. This means, that when you make contributions greater than the annual cap (noted above), you automatically gain access to future year caps. You can then make further non-concessional contributions after the end of that three-year period, up to your non-concessional contribution cap, provided your total superannuation balance continues to be less than the Transfer Balance Cap.

Contribution caps may change from time to time. Refer to <https://www.ato.gov.au/individuals/super/in-detail/growing-your-super/> for up to date information.

## COVID-19 UPDATE

The initiative under the coronavirus Economic Response Package Omnibus Bill 2021 enabling early release from super payments from Member Accounts ceased on 31 December 1 Many Members experiencing financial difficulties were able to take advantage of the ability to apply for an early release from super of up to \$10,000 from 1 April until 30 June 2021, plus an additional amount of \$10,000 between 1 July and 31 December 2021 from their member Account.

Amounts paid from a Members super Account were tax free, did not affect Centrelink or Veteran's Affairs payments, were treated as non-assessable non-exempt income, were not be counted as income and were not considered under any income or means test.

In addition, Members who satisfied a financial hardship or compassionate condition of release could still apply for these in addition to the early release of super.

Changes to superannuation drawdowns were extended to apply to the 2021/21 financial year, with a further extension for the 2021/22 financial year announced by the Federal Government in early June 2021, with pension payments minimum amounts halved for:

- Account based annuities and pensions including transition to retirement income streams,
- Allocated annuities and pensions,
- Market-linked annuities and pensions also know as term allocated pensions.

If the Fund did not receive any new instructions from you to amend pension payments, the Trustees' default position has been for the administrator to continue to drawdown at the pre-existing level held at the end of the 2021/21 financial year. This meant, the new pension minimums continued to apply for the 2021/22 financial year.

Transition to Retirement Pensions are a form of an account-based pension, and have both minimum and maximum payments to consider when opting in and lodging a superannuation drawdown.

Further information on both Superannuation Drawdowns can be found at [ato.gov.au/super](https://www.ato.gov.au/super). note that other fees might still apply

## INACTIVE ACCOUNTS AND TYPES OF UNCLAIMED SUPER

### Treatment of inactive low-balance super Accounts

Superannuation legislation requires the Trustee of the Fund to transfer information and superannuation benefits to the Australian Taxation Office (ATO) when Member benefits are classified as Unclaimed Super. On receipt, the ATO will try to match said account with any active super Account there is a record of you holding.

The exception to this is where you have provided a written notice to the ATO declaring that you are not a Member of an inactive low balance Account. If this applies to you, you can authorise the Fund to provide the written notice to the ATO on your behalf. The notice must be provided to the commissioner of

Taxation on or before the relevant due date for the payment to the ATO.

The notice is valid for 16 months, and after that period if your Account remains an inactive low balance Account, you will need to complete another declaration every 16 months if you wish your funds to remain in your Account.

Further information on unclaimed super monies and inactive low-balance super Accounts can be found in the Important Information section of this Annual Report or on the ATO website at

<https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Inactive-low-balance-super-accounts/>.

Alternatively, if you make a contribution or rollover to your Account, make changes to your insurance, or change your investment options, before the transfer date, your Account will be considered 'active' and won't be closed or transferred to the ATO.

## Inactive low-balance Accounts and unclaimed super monies - Reporting and payment requirements

There are two ATO reporting periods each year (by 31 October for the 30 June six-month period, and by 30 April for the 31 December six-month period).

1. Member aged 65 or older – your Account has been inactive for two years or more, and we have not been able to make contact with you for five years.
2. Non-Member spouse - An amount payable to a non-Member spouse as a result of a family law superannuation split – and after making reasonable efforts to contact, the non-Member spouse, and after a reasonable period has passed, we are unable to ensure that the non-Member spouse will receive the amount.
3. Deceased Member – the trustee is unable (after reasonable endeavor) to locate a beneficiary to pay your benefit to.
4. Temporary residents - temporary residents permanently leaving Australia have up to six months to claim superannuation and if not claimed the amount will be transferred to the ATO
5. Former temporary resident Member and you have not claimed your benefit after six months from your visa expiry or cancellation date and you are not Australian or New Zealand citizen.
6. Small and insoluble lost Member - when your balance is less than \$6,000 (small lost Member Account). and you are considered as:
  - uncontactable - two pieces of mail sent to you have been returned undelivered, no contributions or rollovers have been received within the last 12 months, and the Fund is satisfied that it will never be possible to pay an amount to the Member (insoluble lost Member Account).
7. Holding an inactive low-balance Account - A super Account is an inactive low-balance Account if all of the following criteria are met on unclaimed money day where:
  - no contribution or rollover has been received for 16 months,
  - the Account balance is less than \$6,000,
  - the Member has not met a prescribed condition of release,
  - the Account is not a defined benefit Account,
  - there is no insurance on the Account,
  - the Fund is not a self-managed super fund (SMSF) or small Australian Prudential Regulation Authority (APRA) Fund.

## WHEN IS AN INACTIVE LOW-BALANCE ACCOUNT CONSIDERED ACTIVE?

An inactive low-balance Account is deemed to be active if any of the following have occurred within the last 16 months. The Member:

- Changed their investment options,
- Changed or elected to maintain insurance coverage,
- Made or amended a binding death benefit beneficiary nomination,
- Notifies the Fund or ATO in writing that they are not a Member of an inactive low-balance Account, or
- Owes the super provider an amount in respect of their Membership.

Further information can be obtained from the website [ato.gov.au/Individuals/Super/Growing your super](http://ato.gov.au/Individuals/Super/Growing_your_super).

# Important information

## Abridged financial information

Set out below is the abridged financial information relating to the Grosvenor Pirie Super Fund:

<b>Statement of Financial Position as at 30 June</b>		
<b>ASSETS</b>	<b>2021 (\$)</b>	<b>2020 (\$')</b>
Cash and cash equivalents	24,172	13,961
Investments	184,854	139,361
<b>Receivables</b>		
Interest receivable	37	35
Distributions and dividends receivable	2,357	435
Other receivables	112	81
<b>Other assets</b>		
Deferred tax assets	-	18
<b>TOTAL ASSETS</b>	<b>211,532</b>	<b>153,939</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	8	251
Benefits payable	223	1,009
Current tax liabilities	5,327	2,355
Deferred tax liabilities	1,163	175
<b>TOTAL LIABILITIES</b>	<b>6,721</b>	<b>3,790</b>
<b>NET ASSETS AVAILABLE TO PAY BENEFITS</b>	<b>204,811</b>	<b>150,101</b>
<b>Member benefits</b>	<b>197,845</b>	<b>148,116</b>
<b>TOTAL NET ASSETS</b>	<b>6,966</b>	<b>1,985</b>
<b>EQUITY</b>		
<b>Operational Risk Reserve</b>	<b>466</b>	<b>381</b>
<b>Expense Reserve</b>	<b>531</b>	<b>311</b>
<b>Unallocated Surplus</b>	<b>5,969</b>	<b>1,294</b>
<b>TOTAL EQUITY</b>	<b>6,966</b>	<b>1,985</b>

<b>Grosvenor Pirie Super Fund</b>	<b>2021</b>	<b>2020</b>
<b>Statement of member movements</b>		
<b>(as at 30 June 2021)</b>		
	<b>\$'000</b>	<b>\$'000</b>
<b>OPENING NET ASSETS</b>	19,253	19,847
<b>INCREASE (DECREASE)</b>	(2,809)	(324)
<b>CLOSING NET ASSETS</b>	<b>16,444</b>	<b>19,523</b>

\* The Funds financial accounts have been prepared in accordance with accounting standard AASB1056 Superannuation Entities applicable to reporting periods on or after 1 July 2016. The Funds financial accounts and audit report can be made available to members on request by phoning the Grosvenor Pirie Super Fund (Refer Directory on the back page).

## Reserves

The Trustee maintains the following reserves in the Fund for the benefit of members. Reserves are held to meet licence conditions, facilitate administration efficiency and are invested for the benefit of members.

## Operational Risk Financial Requirement

Trustees of super funds are required to establish and maintain an Operational Risk Financial Reserve (ORFR) which complies with prudential requirements to ensure that the Trustee has sufficient financial resources to provide for member and/or beneficiary losses arising from an operational risk event such as incorrect benefit payments due to human or system error, unit pricing errors and loss of data. The reserve is funded from fees and other costs. Expense recovery fees may include a transfer to the ORFR to meet this regulatory requirement. Please refer to the current PDS and PDS Guides for more information.

<b>Grosvenor Pirie Super Fund</b>	<b>2021</b>	<b>2019</b>	<b>2018</b>
<b>ORFR (as at 30 June 2021)</b>			
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>CLOSING BALANCE</b>	466	381	227

## Expense reserve

The Trustee maintains an expense reserve (ER) for costs not related to the administration of the fund. The expense reserve complies with prudential requirements and is utilised for the payment of fund fees, costs, tax and levies.

## Buy/Sell costs

When a member buys or sells units, this initiates a need for the Trustee to trade the underlying assets that relate to the particular investment transaction. This trading generates transaction costs such as brokerage, settlement costs (including custody costs), government taxes/duties/levies, bank charges and Account transaction charges which are paid from the investment option.

These transaction costs are reflected in a buy/sell spread that is taken into account in the calculation of unit prices. The buy/sell spread is the difference between the entry price and exit price of units and is an additional cost incurred by members each time they invest (including via rollovers from other funds) or withdraw funds. The buy/sell spread is retained within Grosvenor Pirie Super and contributes towards the transaction costs associated with Grosvenor Pirie Super buying or selling assets in relation to investment transactions initiated by members or relating to the administration of member Accounts.

The spread ensures that those members joining or leaving Grosvenor Pirie Super or product, or switching investment options, contribute towards these transaction costs and other investors who are not joining, leaving or switching investments at that particular time are not disadvantaged.

The buy/sell spread for the investment option is made up of the following costs:

	Buy	Sell
<b>Grosvenor Pirie Super - Investment Strategy</b>		
Conservative	0.09%	0.11%
Balanced	0.13% 0.07%	0.14% 0.07%
Balanced Growth	0.16%	0.18%
Growth	0.07%	0.07%
Pension		

## Allocating net earnings to members' Accounts

As Grosvenor Pirie Super is a unitised fund, your Account balance is equal to the amount of units held multiplied by the applicable unit price(s). The value of each unit held and the unit price for each investment option changes with the value of the underlying assets of the investment option.

The unit pricing process for pooled investment options:

- We calculate the value of the underlying assets of each pooled investment option once every day.
- The value of the underlying assets is divided by the number of units on issue for that investment option.
- This is the unit price that will be applied to your transaction request.

Sometimes unit pricing errors may occur. In the event that a material unit price error is detected and requires rectification, the Trustee may apply a fixed dollar minimum of \$20 when determining whether exited (former) members affected by the error should be compensated.

The PDS is available by contacting us on 02 8355 5149. Refer to your Annual Member Statement for information on the net investment performance for your portfolio of investments.

## Member statements

Your Annual Member Statement was sent to your address in December 2021.

## Superannuation surcharge tax

While the superannuation surcharge was abolished with effect from 1 July 2005, the ATO may still issue assessments in relation to previous years. Any amounts dedicated by the Fund in relation to the superannuation surcharge tax payable will be reflected in the transaction section of your Annual Member Statement.

## Temporary residents

If you have worked in Australia on a temporary visa and you have super in Australia, you can apply after you leave Australia, to have this super paid to you as a departing Australia superannuation payment (DASP).

If you have not claimed your super after you have left Australia for at least 6 months, and your visa has expired or been cancelled, your super will be transferred to the ATO as unclaimed super money. You can subsequently access your benefit from the ATO. The ATO can be contacted on 13 10 20. We are



not obliged to notify or give an exit statement to you if we transfer your super to the ATO after you depart Australia.

There are limited conditions of release available to a member who is or was a temporary resident. Accounts in respect of all temporary resident members (irrespective of whether or not they have left Australia) will only be able to be released under the following conditions:

- death or terminal medical condition,
- permanent incapacity,
- departing Australia permanently – applies to temporary residents who apply in writing for release of their benefit,
- Trustee payments to the ATO under the Superannuation (Unclaimed Money and Lost Members) Act 1999, or
- temporary incapacity and/or release authorities under the Income Tax Assessment Act 1997.

Note: If you are a New Zealand citizen or you become an Australian citizen or permanent resident these changes will not apply to you.

## Eligible rollover fund

As a result of legislative changes introduced in 2020/2021, all unclaimed and lost money is now transferred to the Australian Taxation Office (ATO). The SMERF is required to transfer all Member balances to the ATO by 31 January 2022. While the requirement is to transfer all Member benefits to the ATO by 31 January 2022, the Trustee of the SMERF made the decision to transfer all Member benefits to the ATO by 30 June 2021. As a result of this action the SMERF was effectively closed to accepting any further Member balances from 30 June 2021.

## Disclosure of Interest

The Trustee is also the Trustee of SMERF and receives remuneration in this capacity.

## The future of ERFs

The Government has been working towards the closure of Eligible Rollover Funds, however due to COVID-19 the effective date of the proposed change was deferred until 2021. The Trustee is monitoring the passage of the Treasury Laws Amendment (Reuniting More Superannuation) Bill 2021, and if passed, will issue communications to all members advising of the change.

## Conflicts

The Trustee's approach to conflicts management is governed by its Conflicts Management Policy, which sets out the principles and the minimum requirements of the Trustee. Conflicts are identified, recorded and managed on an ongoing basis via the Trustee's registers of relevant duties and interests and via other related Trustee policies, systems and processes. Training and awareness with respect to the Trustee's Conflicts Management Framework is undertaken annually. Further information can be found at [www.diversa.com.au/trustee/governance](http://www.diversa.com.au/trustee/governance).

## Enquiries and Complaints

The Trustee has set up a formal procedure for dealing with complex enquiries and complaints about your Grosvenor Pirie Super Account, including insurance. You can make an initial enquiry by phoning Grosvenor Pirie Super, or you can formally register your complaint by email or by writing to the Complaints Officer: A summary of the enquiries and complaints process will be provided with an acknowledgement at the time of your enquiry or complaint.

We aim to resolve all complex enquiries and complaints quickly and fairly. If you are not satisfied with the final decision, or we have not responded within 90 days from the date that your complaint is received, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA), our external dispute resolution (EDR) scheme.

**Phone:** 02 8355 5149

**Write:** Complaints Officer  
Grosvenor Pirie Super Fund  
GPO Box 1282  
Albury NSW 2640

### **AFCA**

AFCA is an EDR scheme that deals with complaints from consumers in the financial system. AFCA replaced the Superannuation Complaints Tribunal. Strict time limits apply for lodging certain complaints with AFCA; otherwise AFCA may not be able to deal with your complaint.

To find out if AFCA can handle your complaint and determine the type of information you need to provide, AFCA contact details are as follows:

**Phone:** 1800 931 678

**Email:** [info@afca.org.au](mailto:info@afca.org.au)

**Write:** Australian Financial Complaints Authority  
(AFCA) GPO Box 3  
Melbourne VIC 3001

**Visit:** [afca.org.au](http://afca.org.au)

## **Information on request**

The following information is available on the Fund website <http://www.gpml.com.au/superannuation-products/grosvenor-pirie-super> and/or by contacting Grosvenor Pirie Super during office hours, or write to Grosvenor Pirie Super at PO BOX 1282, Albury NSW 2640 (refer to the Directory on the back page):

- the Fund's various Product Disclosure Statements (including Investment Guide, Insurance Guide and Additional Information Guide which are incorporated by reference, where applicable),
- the Fund's regular investment performance
- recent member newsletters,
- the Fund's Trust Deed and Rules,
- all forms, e.g. the Nomination of Beneficiaries Form,
- information about your benefit entitlements, and
- any other information that may help you understand particular investments of the Fund or its management.

### **Disclaimer**

Reasonable care is taken to ensure that information is correct, but neither the Trustee nor its service providers accept responsibility for any errors, misprints or for anyone acting on this information. The Trustee reserves its right to correct any errors or omissions.

The terms of your membership in the Fund are set out in the Fund's Trust Deed and any applicable

insurance policy and PDS. Should there be any inconsistency between the Trust Deed and other documents, the terms of the Fund's Trust Deed will prevail.

The Trustee reserves the right to amend the terms and conditions of the Fund in accordance with the provisions of the Trust Deed and superannuation law. The Trustee may also withdraw the PDS and close the Fund.

# Directory

## Obtaining further information

### Grosvenor Pirie Super

**Phone:** 02 8355 5149

**Email:** [members@gpml.com.au](mailto:members@gpml.com.au)

**Website:**

<http://www.gpml.com.au/superannuation-products/grosvenor-pirie-super>

**Mail:** PO BOX 1282, Albury NSW 2640

### Trustee

**Diversa Trustees Limited**

ABN 49 006 421 638 AFSL No. 235153

RSE Licence No L0000635

GPO Box 3001

Melbourne VIC 3001

### Auditors

**PricewaterhouseCoopers**

ABN 52 780 433 757

Freshwater Place

2 Southbank Boulevard

Southbank VIC 3006

### Custodian

**Citigroup Pty Limited**

ABN 88 004 325 080

Level 21, 2 Park Street

Sydney NSW 2000

### Investment Manager

**Responsible Investment Services Pty Ltd**

ABN 77 630 578 200 AFS Rep. No. 001271438

Corporate Authorised Representative of

True Oak Investments Ltd ABN 81 002 558 956

AFSL No. 238184

1 Munn St, Barangaroo, NSW 2000

### Insurer

**AIA Australia Limited**

ABN 79 004 837 861 AFSL 230043

### Promoter

**Responsible Investment Services Pty Ltd**

ABN 77 630 578 200 AFS Rep. No. 001271438

Corporate Authorised Representative of

True Oak Investments Ltd ABN 81 002 558 956

AFSL No. 238184

1 Munn St, Barangaroo, NSW 2000

### Administrator

**OneVue Super Services**

ABN 74 006 877 872 AFSL No. 246883

PO Box 1282

Albury NSW 2640