

## **The Aracon Superannuation Fund**

ABN 40 586 548 205  
RSE Registration Number R1001020

### **Annual Report**

**30 June 2020**

Issued by Aracon Superannuation Pty Ltd  
ABN 13 133 547 396  
AFS Licence Number 507184  
RSE Licence Number L0003384

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## Contact Details

If you have any questions or would like more information about The Aracon Superannuation Fund (the “Fund”), please contact the Trustee as follows, or the promoter for the relevant sub-plan:

Aracon Superannuation Pty Ltd  
ABN 13 133 547 396 RSE Licence Number L0003384  
AFS Licence Number 507184

Address: Level 12, 500 Collins Street, Melbourne Vic 3000  
Postal: PO Box 482 Collins Street West Vic 8007  
Telephone: 1300 669 891  
Facsimile: 03 9629 2550  
Email: [info@araconsuper.com.au](mailto:info@araconsuper.com.au)

## Welcome

We are pleased to present you the Annual Report for members of the Aracon Superannuation Fund for the year ended 30 June 2020.

This report gives you information about the Fund as at 30 June 2020, including its management and how the Fund’s investments have performed.

The information provided in this report is of a general nature and does not take into account your individual objectives, financial situation or needs. If you would like specific advice you should contact your Financial Adviser.

## Important Information

This annual report has been prepared to provide members with information that the Trustee reasonably believes is needed for the purpose of understanding the management, financial condition and investment performance of the Fund. It has been prepared by the Trustee and should be read in conjunction with your annual member statement.

Information is available for the purposes of understanding any of your benefit entitlements; the main features of the Fund; or to assist you make an informed judgement about the investments, the investment performance, the management or the financial condition of the Fund and its various divisions or investment options. This may include copies of the Fund’s Trust Deed, the Product Disclosure Statement (“PDS”) for the relevant sub- plan, and previous editions of the Annual Report, or other more specific information about your membership account. These are available to you at no cost by contacting the Trustee and requesting a copy.

The information contained in this report is of a general nature only and has been prepared without taking into account your personal investment objectives, financial situation or needs. Before making any decision concerning your investment in the Fund, you should consider seeking professional advice from a licensed or authorised advisor. You should also consider the information contained in the PDS for the relevant sub-plan.

The Trustee or any of its service providers do not guarantee the investment performance or the repayment of capital in The Aracon Superannuation Fund. Investments in the Fund are subject to risk, including the loss of income and capital invested. The Trustee believes the information contained in this report is accurate and reliable at the date of issue of 16 December 2020. Whilst all due care has been taken in its preparation, the Trustee reserves the right to correct any errors or omissions.

## **About The Aracon Superannuation Fund**

The Aracon Superannuation Fund (the “**Fund**”), which commenced on 24 December 2004, is a boutique public offer superannuation fund master trust that has been designed for employees, their employer sponsors, self-employed persons, retirees and other eligible individuals who wish to take advantage of the favourable taxation concessions available to superannuation funds as part of their retirement savings strategy.

The Fund is a member directed Fund, generally only available to members who have appointed a financial adviser, however the Fund allows direct to consumer members to join particular sub plans where those members exercise investment by directing the Trustee in relation to investment strategies and options.

The Fund is comprised of a number of discrete sub-plans, each with distinct fund promoters, business strategies, investment strategies and investment managers. Further detail on each of the sub-plans is included within this report.

The Trustee of the Fund is Aracon Superannuation Pty Ltd (“**Aracon**”), a wholly owned subsidiary of Xplore Wealth Limited (Xplore), an ASX listed Financial Services Company.

Disclosures about the Trustee, including remuneration information and other documents about the Fund can be located at [www.araconsuper.com.au](http://www.araconsuper.com.au)

As at the 30 June 2020, there were five (5) discrete approved Sub Plans of the Fund namely:

1. ARA Retirement Fund Sub Plan
2. FairVine Super Sub Plan
3. Xplore Super & Pension Sub Plan
4. Oracle Superannuation Plan Sub Plan
5. Elevate Super Sub Plan

## Management of the Fund

### The Trustee

Aracon Superannuation Pty Ltd  
ABN 13 133 547 396 RSE Licence Number L0003384  
AFS Licence  
Number 507184  
Level 12, 500  
Collins Street  
Melbourne Vic 3000

The Trustee holds appropriate indemnity insurance as protection against certain claims that are subject to the terms of that policy. The Trustee has not been issued any penalties under the Superannuation Industry (Supervision) Act 1993, the Corporations Act 2001 or any other applicable legislation.

The Directors of Aracon Superannuation Pty Ltd have consented to the issue of this Annual Report.

### Contacting the Fund Administrator

Fund Administrator : DIY Master Pty Ltd  
(ABN 41 123 035 245) (AFSL number 312431)  
Contact: Client Service Officers  
Postal Address: P O Box 7540 GCMC QLD 9726  
Ph: (07) 5555 5656  
Toll free: 1800 814 005  
E-mail: [info@diymaster.com.au](mailto:info@diymaster.com.au)  
Location: Suite 4G, 109 Upton Street Bundall QLD 4217

You should contact the Fund Administrator if you wish to:

- advise a change of your name or address;
- change your preferred beneficiary in relation to your death benefit from the Fund;
- apply to increase or change your insurance cover;
- claim a benefit from the Fund;
- make a complaint;
- obtain information regarding your membership or the benefits the Fund provides; or
- receive a copy of Fund's audited accounts, the auditor's report, or the Trust Deed (the governing rules of the Fund); including a copy of this Annual Report free of charge.

Details of the Fund's other Service Providers are set out on Page 9 of this Annual Report.

### Payment of Unclaimed Monies to the ATO

The ATO has established a lost member and unclaimed money register, containing details of the superannuation accounts for members that funds cannot locate and certain members for whom contributions have ceased. All superannuation funds must provide details of lost members and transfer their accounts to the ATO twice a year.

The following type of accounts will be deemed lost or unclaimed and transferred to the ATO:

Under Federal Government legislation, there are a number of circumstances in which superannuation must be paid to the ATO as unclaimed money including inactive benefits of an uncontactable member who has reached age 65 and certain benefits of 'lost members'.

All accounts that have balances less than \$6,000 that the member has not interacted with (contributed to, switched investment options, nominated a binding beneficiary, purchased or changed insurance, etc.) in the past 16 months as of an unclaimed money day pursuant to the Superannuation (Unclaimed Money and Lost Members) Regulations must be reported to, and transferred to, the ATO by the next scheduled statement day, from 30 June 2020.

Additionally, the following accounts of 'lost' members must be paid to the ATO as unclaimed money:

- account balances of less than \$6,000 (or such other threshold determined by the Government from time to time); or
- accounts which have been inactive for a period of 12 months and there are insufficient records to ever identify the owner of the account.

A former temporary resident's superannuation benefit must also be paid to the ATO as unclaimed money where it has been at least six months since they have departed Australia and their visa has lapsed AND the ATO issues a notice to the Fund requesting the benefit be paid to the ATO.

If this happens, you have a right, under the Government's legislation, to claim your super money directly from the ATO (subject to the applicable tax rates).

Further information about unclaimed money can be obtained from the ATO website ([www.ato.gov.au](http://www.ato.gov.au)).

### **Member Accounts**

Individual accounts are maintained for each member that records your personal details, transaction amounts, investment selections, insurance covers (if applicable) and other information required to manage and report on your superannuation. Your benefits are generally based on the sum of your account balance.

### **MySuper**

The Trustee has not sought approval for a MySuper product within The Aracon Superannuation Fund.

### **Enquiries and Complaints**

If you have any inquiries about the Fund or your membership account, please contact the Trustee per the contact details are shown on Page 2 of this Annual Report.

Where you are not satisfied with the response to your inquiry, please detail your concerns and requested outcome in writing and forward to The Complaints Manager at the Trustee who will classify your inquiry as a complaint and aim to resolve it within 45 days. The Trustee may contact you to request a meeting, which they will generally host in their office.

If you are not satisfied with the outcome of this process after the 45-day period, you may contact the Australian Financial Complaints Authority ("AFCA"). They are an independent tribunal established to resolve complaints by way of conciliation between the parties.

Australian Financial Complaints Authority

**Phone:** 1800 931 678

GPO Box 3  
MELBOURNE VIC 3001

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

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

### **Labour Standards, Environmental, Social or Ethical Considerations**

The Trustee does not generally take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments for the Fund. However, underlying fund managers may do so in their own right, although this is not on behalf of the Trustee.

The Trustee notes that FairVine Super focuses on ethical investing, and where appropriate, uses underlying investment managers who apply ethical screens over their portfolios. For more information on FairVine's responsible investment principles please refer to the FairVine Super website [www.fairvine.com.au](http://www.fairvine.com.au) and their Additional Information Guide.

The Trustee notes that Elevate Super's investment portfolio takes into account sustainable, environmental and social considerations using an independent third party data provider to measure SDG contribution (where data is available). For more information on Elevate's responsible investment principles please refer to the Elevate Super website [www.elevatesuper.com.au](http://www.elevatesuper.com.au) and their Additional Information Guide.

## Reserves - General

The Trustee's policy is to allow any investment returns (less applicable fees, costs and taxes) to flow through to the relevant unit prices, where they are calculated, of each investment strategy. As a result, the Trustee does not intend to hold any investment reserves. A reserve may exist from time to time due to rounding of the relevant unit prices, timing delays in the allocation of transactions to member accounts; or reporting or timing differences associated with the taxation of the Fund's investments. The amounts for the past three years represented up to 0.04% of the Fund's net assets as follows:

30 June 2020	\$153,162
30 June 2019	\$121
30 June 2018	\$0

Reserves are generally retained in the Fund's cash operating accounts until allocated to the relevant investment option in the subsequent period.

## Operational Risk Financial Requirement ("ORFR")

From 1 July 2013, the Trustee has been required to hold, and have unfettered access to, financial resources in the form of operational risk reserves that can be used in the event of certain operational risk events. The amounts held as at 30 June 2020 were:

	Year Ended 30 June 2020	Year Ended 30 June 2019	Year Ended 30 June 2018
ORFR maintained in The Aracon Superannuation Fund for the members of the ARARF Sub Plan (\$791,694)	\$801,829	\$794,054	\$791,694
ORFR maintained by Aracon Superannuation Pty Ltd for the members of the ARARF Sub Plan	\$250,114	\$250,114	\$250,114
Total ORFR Reserve at Fund Level	\$1,051,943	\$1,044,168	\$1,041,808

The ORFR is invested in cash.

The Trustee also holds Trustee Capital in addition to that maintained for the members of the Fund.

## Derivatives

The Trustee does not directly invest in derivatives; however, underlying investment managers may invest in derivatives such as futures and options in order to gain exposure to investment markets and to manage the risks associated with market prices, interest rates and currency fluctuations. The Trustee will not use derivatives for gearing of investments or for speculative purposes.

The investment manager will from time to time employ investment strategies using options, primarily for the purpose of generating additional income and/or reducing the risk profile of the portfolio. Options will not be used to leverage or increase the risk profile of the portfolios.

## Allocation of Earnings

The dollar amount of net earnings disclosed in your account summary is calculated by reference to the change in value of the underlying investments allocated to your account for each transaction processed. Where unit prices are calculated for each of the Sub Plan's investment options they are calculated on a regular basis, generally at the end of each week, and take into account any realised and unrealised investment gains as well as fees, costs and taxes of the Fund that are not already deducted from member accounts.

The actual rate of return of your account may be different to the Fund's published returns for each investment option due to the timing and value of the transactions processed in your account.

## **Trustee Board**

Aracon has an independent Board and also specialist Board Committees focussing on Investment Governance, as well as Audit, Risk, Compliance and Complaints. The Aracon Board combines strength of commercial business knowledge with an impressive depth of Trustee and superannuation expertise.

### **Geoff Peck**

#### **Board Chair**

Geoff is an independent Non-Executive Director of Aracon Superannuation Pty Ltd, and the current Chair of the Aracon Board having been appointed on 6 December 2019. Geoff is also a member of the Aracon Investment, Audit, Risk, Compliance and Complaints and Remuneration Committees.

Geoff was the Head of Client Development at Chant West, a pre-eminent provider of research on the Australian superannuation industry.

Geoff has over 30 years' experience in the superannuation and insurance industries, including over 15 years in executive roles, and 4 years as a non-executive director and Chair of the Board Audit Committee with a major life insurer. His career has included senior positions at the BT Financial Group, Russell Investments, AIA Australia and CBA.

Geoff holds a Bachelor of Science, a Fellow of the Institute of Company Directors, a Fellow of ASFA and an Accredited Investment Fiduciary.

### **Alan Hayden**

Alan is a Non-Executive Director of Aracon Superannuation Pty Ltd and Chair of the Audit, Risk, Compliance and Complaints Committee and the Remuneration Committee. Alan is also a member of the Investment Committee.

Alan was appointed as a Director of Aracon Superannuation Pty Ltd on 30 March 2015 and served as the Chair of Aracon from 2015 until 31 October 2018.

Alan holds a Bachelor of Commerce; Bachelor of Accountancy; Higher Diploma in Company Law; RG146 Compliant; Chartered Accountant, Australia and has external compliance committee and responsible manager appointments, with a depth of experience in the funds management industry.

### **Christine Cameron**

Christine is an independent Non-Executive Director of Aracon Superannuation Pty Ltd having been appointed on 19 June 2020. Christine is the current Chair of the Aracon Investment Committee. Christine is also a member of the Audit, Risk, Compliance and Complaints Committee.

Christine has over 30 years' management and leadership experience with some of Australia's leading financial services brands and globally recognised institutions including AMP, MLC, Russell Investments and Maple-Brown Abbott.

Christine is currently a Director of Neuroscience Research Australia Foundation (NeuRA) and is a member of Maple-Brown Abbott's Asset Allocation Committee.

Christine holds a Bachelor of Arts (Hons-Econ) from Macquarie University, a Graduate Diploma in Applied Finance (ASIA), is a Trustee Associate from the Association of Superannuation Funds Australia (TAASFA) and a Graduate of the Australia Institute of Company Directors (GAICD).

### **Debra Comben**

Debra was a Non-Executive Director of Aracon Superannuation Pty Ltd having been appointed on 3 October 2008. Debra resigned as a Director on 31 July 2020.

Debra is the General Manager – Business Operations at ARA Consultants Limited (ARA), a financial planning practice and Promoter of the ARA Retirement Fund Sub Plan of the Aracon Superannuation Fund.

Debra played an integral part in the operation of the Fund until the transfer of ownership of the Trustee to Xplore Wealth Limited. Debra was the ARA Retirement Fund Secretary from 23 December 2017 until 31 October 2018.

Debra is responsible for the managing the overall workplace infrastructure and all outsourced arrangements of ARA, which is the Responsible Entity of the ARA Investment Fund.

Prior to joining ARA, Debra was a financial planner with a leading specialist financial planning and funds management organisation.

Debra holds a Diploma in Financial Planning.

### **Vincent Parrott**

Vincent was an independent Non-Executive Director of Aracon, and the Chair of the Aracon Investment Committee having been appointed on 18 December 2019. Vincent resigned as a Director on 4 September 2020.

Vincent is currently a Senior Investment Consultant at Mercer Investments Australia, consulting to a number of superannuation and retail clients. Prior to Mercer, Vincent was the Head of Investments at OneVue and Select Asset Management.

Vincent has over 35 years' experience in the superannuation and investment industries, including 3 years as the Managing Director of Diversa Ltd, an ASX Listed company, prior to its takeover by OneVue in 2016.

Vincent was a Trustee Director at Diversa Trustees for 7 years and Chair of the Diversa Trustees Investment Committee. He also managed superannuation investments at Diversa Funds Management. Vincent's career has included senior positions at UAL Investment Bank (South Africa), AMP Investment Management, UBS Asset Management, BT Funds Management, Equitilink Australia, Aberdeen Asset Management and Souls Funds Management.

Vincent holds a Bachelor of Commerce, University of Witwatersrand, Johannesburg.

### **Peter Brook**

Resigned as a Director on 9 December 2019 having been appointed on 31 October 2018.

### **Pamela McAlister**

Resigned as a Director on 1 July 2019 having been appointed on 31 October 2018.

### **Board Committees**

The Board has established three Sub Committees to assist in the management of the Fund.

<u>Investment Committee</u>	Established 30 January 2019	Members" Vincent Parrott – Chair until 4 September 2020 Christine Cameron – Chair from 4.9.2020 Alan Hayden Geoff Peck
<u>Audit, Risk, Compliance and Complaints Committee</u>	Established 30 January 2019	Members: Alan Hayden – Chair Geoff Peck Debra Comben (until 31 July 2020) Christine Cameron

No Policy Committees have been appointed for the Aracon Superannuation Fund.

### Service Providers to the Aracon Superannuation Fund

<b>ARA Retirement Fund Sub Plan</b>		
National Australia Bank Limited	ABN 12 004 044 937	Custodian – terminated 30 November 2020
ARA Consultants Pty Ltd	ABN 78 102 304 692	Sub Plan Promotion and Asset Consultant
<b>FairVine Super Sub Plan</b>		
Human Financial Pty Ltd	ABN 14 615 610 305	Sub Plan Promotion
<b>Xplore Super Sub Plan</b>		
Margaret Street Promoter Services Pty Ltd	ABN 23 153 446 210	Sub Plan Promotion
Investment Administration Services Pty Ltd	ABN 86 109 199 108	Investment Management
<b>Oracle Superannuation Plan Sub Plan</b>		
Oracle Investment Management Pty Ltd	ABN 15 149 971 808	Investment Management
<b>Elevate Super Sub Plan</b>		
AtlasTrend Pty Ltd	ABN 83 605 565 491	Sub Plan Promotion
<b>All Sub Plans</b>		
J.P. Morgan Chase Bank (except ARA Retirement Fund)	ABN 43 074 112 011	Custodian
DIY Master Pty Ltd	ABN 41 123 035 245	Fund Administration
Hannover Life Re of Australasia Ltd	ABN 37 062 395 484	Group Insurer
TAL Life Ltd	ABN 70 050 109 450	Retail Insurer

### Internal Auditor

MVA Bennett  
ABN 48 647 105 185

The Trustee appointed MVA Bennett as the Fund's internal auditor for the year ended 30 June 2020.

### External Auditor

William Buck  
ABN 59 116 151 136

The Trustee appointed William Buck as the Fund's external auditor for the year ended 30 June 2020.

## Fund Objectives and Strategy

The Fund offers multi-sector investment strategies across its Sub Plans.

Members can either implement their portfolio through a single strategy or a blend of strategies at their own discretion with the assistance of their Financial Adviser according to their needs and circumstances. Members of FairVine exercise investment choice by directing the Trustee in relation to investment strategies and options.

The objectives of the various Fund strategies are to achieve a return by a blend of growth and income assets that suit the risk profile of the individual members.

Growth Assets are those assets whose prices are determined by their value as assessed by market trading and may be based on factors such as ability to outperform inflation or capability of growth in earnings. Growth assets include Australian listed shares, International securities (hedged and unhedged), alternative assets (such as commodities, venture capital and infrastructure) and property securities.

Income Assets are those assets whose value is based on a steady stream of predictable income, with repayment of the capital invested after a specified period. The price of the asset is often determined by both income stream and the current level of interest rates. Income assets include term deposits, government bonds, corporate bonds, International fixed interest (hedged or unhedged) and other debt based instruments.

### Asset Classes

Australian Shares	<u>Investment Objective:</u> To provide investors with growth and/or income in the value of their investments over rolling five-year periods and longer, primarily through exposure to Australian listed shares in a variety of market sectors. Investment options in this strategy will suit investors who are seeking to invest in the Australian share market and who accept a significant chance of a negative return in any one year.
International Shares	<u>Investment Objective:</u> To provide investors with growth and/or income in the value of their investments over rolling five-year periods and longer, primarily through exposure to listed shares from around the world, in a variety of countries, geographical regions and industry sectors. Investment options in this strategy will suit investors who are seeking to invest in international share markets and who accept a significant chance of a negative return in any one year.
Australian and International Listed Property Securities & Infrastructure Assets	<u>Investment Objective:</u> To provide investors with income and some growth in the value of their investments over rolling three to five-year periods primarily from exposure to property & infrastructure related listed securities in Australia and from around the world. Investment options in this strategy will suit investors who wish to place greater emphasis on income returns than with shares but maintain some growth in the value of their investment over the long term and accept that returns over the short term may fluctuate or even be negative.

Alternative Assets	<p><u>Investment Objective:</u></p> <p>To provide investors with the prospect of generating returns with a low correlation to the direction of the share and bond markets. Investment options in this strategy are generally not managed to track a specific index such as the All Ordinaries, Dow Jones or MSCI and may invest in both physical securities and derivatives and may use high levels of cash or leverage with a clear goal to deliver absolute returns. Investment options in this strategy will suit investors who are seeking positive returns over periods of at least three years and longer and are willing to accept different sources of risk than those associated with traditional investment strategies.</p>
Australian Fixed Interest	<p><u>Investment Objective:</u></p> <p>To provide investors with returns that are above inflation and cash over rolling three-year periods through exposure to Australian fixed interest securities. Investment options in this strategy will suit investors who want to maintain the value of their investment over the medium term and accept that returns over the short term may fluctuate or even be negative.</p>
International Fixed Interest	<p><u>Investment Objective:</u></p> <p>To provide investors with returns that are above inflation and cash over rolling three-year periods through exposure to fixed interest securities from around the world. Investment options in this strategy will suit investors who want to maintain the value of their investment over the medium term and accept that returns over the short term may fluctuate or even be negative.</p>
Cash Plus	<p><u>Investment Objective:</u></p> <p>To provide investors with returns that are higher than cash returns over rolling one-year periods through exposure to a range of cash, short-dated fixed interest securities and directly, or indirectly, in first ranking mortgages. Investment options in this strategy will suit investors seeking returns slightly higher than those available from cash investments and want to maintain the value of their investment over the short term and accept that returns over the short term may fluctuate with a low risk of capital loss.</p>
Cash	<p><u>Investment Objective:</u></p> <p>To provide investors with returns that are at least equivalent to 'at call' bank deposit rates through exposure to a range of short term government, bank backed and corporate securities. Investment options in this strategy will suit investors seeking high investment liquidity for short periods with no risk of capital loss.</p>

## The ARA Retirement Fund Sub-plan

### Promoter and Investment Manager

ARA Consultants Limited  
 ABN 78 102 304 692 AFS Licence Number 224150  
 Address: Lakeland Place, Level 1, 17 Cotham Road Kew VIC 3101  
 Postal: PO Box 2273, Kew, VIC 3011  
 Telephone: (03) 9853 1688  
 Facsimile: (03) 9853 1622  
 Email: [info@araconsultants.com.au](mailto:info@araconsultants.com.au)  
 Internet: [www.araconsultants.com.au](http://www.araconsultants.com.au)

ARA Consultants Limited is the Promoter of The ARA Retirement Fund Sub-plan. It is also appointed as the asset consultant for the Sub-plan and the investment manager of The ARA Investment Fund, in which the Trustee currently invests the assets of the Sub-plan in.

### Investment Strategy

The ARARF Sub Plan offers a choice of three investment strategies, as detailed below.

Strategy Name	Defensive		Growth		Equities	
<b>Management Strategy</b>	Invests in a variety of assets designed to provide an attractive income yield, greater in aggregate than bank bills or term deposits, but still highly liquid.		Invests in growth assets, some listed on stock exchanges, some unlisted. These assets may include shares, property, interest bearing and unlisted securities.		Invests predominantly in growth assets, some listed on the stock exchanges and may also include unlisted, interest bearing and international securities.	
<b>Type of Investors for whom it is intended to be suitable for</b>	Designed for investors with a low tolerance to fluctuation in the value of their portfolio and who are content to accept a lower long term return as a consequence.		Designed for investors with a moderate to high tolerance to short-term fluctuation in the value of their portfolio, in the pursuit of a more attractive medium term return.		Designed for investors with a high tolerance to short-term fluctuation in the value of their portfolio, in the pursuit of a more attractive long term return.	
<b>Asset Classes</b>	<b>Allowable Range (%)</b>	<b>Current Strategic Benchmark (%)</b>	<b>Allowable Range (%)</b>	<b>Current Strategic Benchmark (%)</b>	<b>Allowable Range (%)</b>	<b>Current Strategic Benchmark (%)</b>
<b>Defensive Assets</b>	55-100	85	10-70	40	0-75	11
<b>Growth Assets</b>	0-50	15	10-100	60	25-100	89
<b>Investment Return Objectives</b>	To exceed the Reserve Bank of Australia Cash Rate by at least 1% per annum, before tax and after fees and expenses, over rolling three year periods.		To exceed the Reserve Bank of Australia Cash Rate by at least 3% per annum, before tax and after fees and expenses, over rolling five year periods.		To exceed the Reserve Bank of Australia Cash Rate by at least 4% per annum, before tax and after fees and expenses, over rolling five year periods.	

<b>Minimum suggested Time for Investment</b>	Up to 3 years	4-7 years plus	7 years plus
<b>Standard Risk Measure*: Risk Band and Label</b>	Risk Band 3: Low to Medium	Risk Band 5: Medium to High	Risk Band 6: High
<b>Estimated number of negative annual returns over any 20 year period</b>	2	4	6

\* The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The measure includes seven bands where 1 represents the least risk of negative returns and 7 represents the highest risk of negative returns. Note that this is not a complete assessment of all forms of investment risk, e.g. It does not take into account the size of a negative return or that positive returns may not be sufficient to meet your objectives, the impact of fees and tax on the likelihood of a negative return. Members should ensure they are comfortable with the risks and potential losses associated with their chosen investment strategy.

The Trustee regularly reviews and modifies its strategic asset allocations using its model of long-term return expectations. Specific investments held within the various investment strategies may frequently change as the ARARF Sub Plan is actively and continuously managed on behalf of its members. The Trustee, in conjunction with the ARARF's Asset Consultant, may change how the investment strategies are designed and invested, including any underlying investment managers, allowable or strategic asset ranges, and the addition or removal of investment strategy options. Where these changes are considered material or significant to your investment, the Trustee undertakes to notify you or provide updated information which can be accessed at [www.araconsultants.com.au](http://www.araconsultants.com.au).

The Trustee does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments for the ARARF Sub Plan. However, underlying investment managers may do so in their own right, although this is not on behalf of the Trustee.

The investment strategy of the Sub-plan is detailed in the PDS for the Sub-plan, which is available at: <https://www.araconsuper.com.au>

## Investment Holdings

For the year ended 30 June 2020, all of the ARA Retirement Fund Sub Plan's investments were held in The ARA Investment Fund (ARAIIF).

The underlying holdings of the ARAIF as at 30 June 2020 are detailed below. This table includes investments approved and committed at 30 June 2020.

	Asset Class	Defensive	Growth	Equities
National Australia Bank at Call Deposits	<b>Cash &amp; Tier 1 Fixed Interest</b>	4.6%	9.0%	10.3%
National Australia Bank Term Deposits		24.9%	16.8%	0.0%
Challenger Life Guaranteed Annuities		16.6%	4.6%	0.0%
Coolabah Cash Plus Fund		5.0%	0.0%	0.0%
<b>Cash and Tier 1 Fixed Interest – total</b>		<b>51.1%</b>	<b>30.4%</b>	<b>10.3%</b>
Coolabah Active Credit	<b>Other Fixed Interest</b>	10.7%	0.0%	0.0%
GCI		6.2%	0.8%	0.0%
<b>Other Fixed Interest - total</b>		<b>16.9%</b>	<b>0.8%</b>	<b>0.0%</b>
River Capital Growth Fund	<b>Listed Securities</b>	2.5%	7.5%	6.6%
Sterling Equity		5.6%	8.3%	10.1%
Anacacia Wattle Fund		4.5%	11.0%	8.5%
Pentalpha Income for Life		4.0%	0.0%	0.0%
Betashares Aust Sustainable ETF		1.3%	2.4%	11.4%
Future Generation Global		0.0%	0.0%	4.2%
Vanguard World Ex-US ETF		2.6%	15.6%	17.4%
Vitalharvest Trust		0.0%	0.0%	1.9%
Physical Gold ETF		0.0%	0.0%	5.3%
<b>Listed Securities – total</b>		<b>20.5%</b>	<b>44.8%</b>	<b>65.3%</b>
Anacacia Capital	<b>Private (Unlisted) Equity</b>	2.2%	8.5%	10.1%
Infradebt		0.0%	1.4%	5.3%
Polaris Marine		2.3%	3.8%	2.5%
Hastings Utilities Trust		0.0%	4.6%	2.4%
Proserpine Capital Partners		7.0%	5.7%	4.1%
<b>Unlisted Investments - total</b>		<b>11.5%</b>	<b>24.0%</b>	<b>24.4%</b>
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Investment Performance of the ARA Retirement Fund Sub Plan

Period	Defensive		Growth		Equities	
	Accumulation	Pension	Accumulation	Pension	Accumulation	Pension
<b>Year ended 30 June 2020</b>	(0.11%)	0.19%	(0.78%)	(1.13%)	(1.42%)	(2.12%)
<b>Compound average annual rate of net earnings for 5 years ended 30 June 2020</b>	2.8%	3.2%	4.5%	5.0%	4.1%	4.6%
<b>Compound average annual rate of net earnings for 10 years ended 30 June 2020</b>	3.9%	4.3%	6.0%	6.7%	5.7%	Not Applicable
<b>Compound average annual rate of net earnings since inception to 30 June 2020</b>	3.7%	4.2%	5.0%	5.6%	5.4%	5.0%

All investment options shown in the above table commenced on 29 April 2005 except for the Equities – Pension investment option, which commenced on 1 October 2013. Past performance is not indicative of future performance.

The actual asset allocation may vary between the Accumulation and Pension divisions within the Fund due to the different taxation concessions and cash flow of each division's portfolio. This may result in different investment performance between the same investment options when comparing the two divisions.

You may alter your investment strategy selection at any time by notifying the Trustee via ARA Consultants Limited in writing of your intention. This includes switching your current investment balance and/or any future contributions or other transactions. An investment switch will generally take effect after the close of business on the next unit price calculation date following the receipt of your request.

## The Oracle Superannuation Plan Sub Plan

The Oracle Superannuation Plan Sub Plan was established on the 29 May 2019.

The Oracle Superannuation Plan Sub Plan offers a choice of five investment strategies as detailed below.

	Oracle Australian Equities Portfolio	Oracle Global Equities Portfolio
<b>Strategy</b>	To use active bottom up stock selection, focusing on buying quality companies at reasonable prices. The businesses are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.	To use active bottom up stock selection, focusing on buying quality companies at reasonable prices. The businesses are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.
<b>Benchmark</b>	S&P/ASX 200 Accumulation Index	MSCI ACWI ex Australia in A\$ (unhedged)
<b>Investment Objective</b>	To provide investors with long-term capital growth, dividends and tax effective income. The portfolio aims to outperform its benchmark over a rolling 3-year period.	To provide investors with long-term capital growth and tax effective income. The portfolio aims to outperform its benchmark over a rolling 3-year period
<b>Investment Universe</b>	ASX listed securities that have a market capitalisation similar in size to those in the S&P/ASX 200. May also invest in ETFs, cash and short-term money market securities.	Primarily large cap international securities listed on major international exchanges. Portfolio may invest in listed ETFs.
<b>Suitable Investors</b>	Suits investors seeking capital growth together with tax effective dividend income. They prefer to invest in larger, more secure ASX 200 companies that have a proven track record of success.	Suits investors with a higher risk profile who are seeking to invest in large international companies which potentially have a higher growth potential and lower income.
<b>Risk Band</b>	5 – Medium to High	5 – Medium to High
<b>0- period</b>	3 to less than 4	3 to less than 4
<b>Asset Allocation Ranges</b>	70 - 100% Equities	70 - 100% Equities
	0 - 30% Cash	0 - 30% Cash

	Oracle Emerging Companies Portfolio	Oracle Fixed Income Portfolios
<b>Strategy</b>	To use active bottom up stock selection, focusing on buying quality companies at reasonable prices. The businesses are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.	To invest in credit securities from companies with strong management, and balance sheets that display characteristics such as sufficient liquidity and low levels of gearing. Diversification is achieved mainly through investment in securities across a range of industries.
<b>Benchmark</b>	S&P/ASX Small Ordinaries Accumulation Index	Bloomberg AusBond Bank Bill Index
<b>Investment Objective</b>	To provide investors with long-term capital growth and tax effective income. The portfolio aims to outperform its benchmark over a rolling 3-year period.	To provide a return comprised of a secure and predictable income stream with moderate capital growth. The portfolio aims to outperform the Bloomberg AusBond Bank Bill Index on an annual basis.
<b>Investments</b>	Listed ASX securities, primarily outside the S&P/ASX 200. May also invest in ETFs, cash and short-term money market securities.	The portfolio will primarily comprise of Australian Fixed Income including corporate bonds, listed sub-debt, listed hybrids and cash.
<b>Suitable Investors</b>	Suits investors with a higher risk profile who are seeking to invest in smaller Australian companies which potentially have a higher growth potential and lower income.	Suits investors who are more conservative in nature or are looking to reduce the overall volatility of their superannuation portfolio valuation and performance. It suits people who are looking for consistent and relatively high levels of income, particularly those that are in pension phase.
<b>Risk Band</b>	5 – Medium to High	2 - Low
<b>Estimates number of negative annual returns over any 20-year period</b>	3 to less than 4	0.5 to less than 1
<b>Asset Allocation Ranges</b>	70 - 100% Equities	70 - 100% Fixed Interest
	0 - 30% Cash	0 - 30% Cash

	<b>Oracle Property Securities Portfolio</b>
<b>Strategy</b>	To use active bottom up stock selection, focusing on buying quality companies at reasonable prices. The businesses are assessed as meeting our investment criteria of strong earnings growth and as likely to provide attractive returns to investors.
<b>Benchmark</b>	S&P/ASX 300 Property Trust Accumulation Index
<b>Investment Objective</b>	To provide investors with long-term capital growth and income. The portfolio aims to outperform its benchmark over a rolling 3- year period
<b>Investments</b>	Listed ASX Securities that invest in and or Manage Property Investments. Portfolio may invest in listed ETFs.
<b>Suitable Investors</b>	Suits investors that have a more balanced risk profile and who are seeking more modest capital growth and a higher level of income.
<b>Risk Band</b>	4 - Medium
<b>Estimates number of negative annual returns over any 20-year period</b>	2 to less than 3
<b>Asset Allocation Ranges</b>	70 - 100% Equities 0 - 30% Cash

### **Allocation of investment earnings**

The Trustee will allocate to members' accounts the income earned from their investments.

The annual return for each Member is equal to the gross income generated by the underlying assets or investments of each investment strategy utilised by the Member less any relevant fees, costs and taxes during each financial year.

Any income, relevant fees, costs and taxes are used to update account balances for Members who leave during the financial year. Amounts of fees, costs and taxes may be estimated where they are not actually known or apportioned as determined by or on behalf of the Trustee where they relate to the Fund or Sub Plan as a whole.

The tax benefit for any un-recouped CGT losses will not be paid to Members who leave the Fund.

For actual performance of your Oracle Sub Plan account, please refer to your Member Statement for the period ending 30 June 2020 which was issued to you in November 2020.

## The investment returns for the Oracle Superannuation Plan Options as at 30 June 2020

### Oracle Portfolio Performance

As at end of:

Sep-20

	1mth	FYTD	3mth	6mth	1yr	2yr p.a.	3yr	nception p.a. (1 March 2014)
Emerging Companies	-1.80%	6.20%	6.20%	25.69%	0.92%	4.05%	6.30%	6.22%
(S&P ASX 300 Accumulation Index)	-3.59%	-0.06%	-0.06%	16.73%	-9.96%	0.67%	4.94%	5.49%
Outperformance	1.79%	6.25%	6.25%	8.97%	10.88%	3.38%	1.36%	0.74%
Benchmark S&P ASX Small Ordinaries Accumulation Index	-2.82%	5.67%	5.67%	30.93%	-3.33%	0.24%	9.95%	6.26%
Outperformance of ASX SOAI	1.01%	0.53%	0.53%	-5.24%	4.25%	3.81%	-3.65%	-0.04%
Australian Equities	-1.49%	3.74%	3.74%	22.63%	0.87%	0.07%	5.06%	2.32%
Benchmark (S&P ASX 200 Accumulation Index)	-3.66%	-0.44%	-0.44%	15.97%	-10.21%	0.49%	4.80%	5.42%
Outperformance	2.18%	4.18%	4.18%	6.66%	11.08%	-0.42%	0.26%	-3.10%
Global Equities	-1.28%	3.90%	3.90%	11.99%	9.89%	11.18%	15.05%	12.49%
Benchmark (MSCI All Country World Index - ex Australia)	-0.08%	3.96%	3.96%	10.03%	4.29%	6.45%	10.53%	11.59%
Outperformance	-1.20%	-0.07%	-0.07%	1.96%	5.60%	4.73%	4.52%	0.90%
Fixed Income	1.75%	1.23%	1.23%	2.75%	-1.37%	2.39%	4.10%	4.56%
Benchmark (Bloomberg Ausbond Bank Bill Index)	0.01%	0.03%	0.03%	0.09%	0.58%	1.16%	1.40%	1.86%
Outperformance	1.75%	1.20%	1.20%	2.66%	-1.95%	1.23%	2.70%	2.70%
Oracle Property Securities	-0.93%	7.26%	7.26%	27.19%	-12.15%			-11.71%
Benchmark (S&P/ASX 300 Property Trust Accumulation Index)	-1.15%	7.38%	7.38%	29.10%	-15.81%			-14.77%
Outperformance	0.22%	-0.12%	-0.12%	-1.90%	3.66%			3.05%

## The FairVine Super Sub Plan

The FairVine Sub Plan was established on the 14 February 2019.

### Promoter of the FairVine Sub Plan

Human Financial Pty Ltd  
 ABN 14 615 610 305 AFS Licence No 001271291  
 Suite 1801A, 101 Grafton  
 Street Bondi Junction NSW  
 2022

The FairVine Sub Plan offers a choice of two investment strategies, as detailed below.

	FairVine Balanced Option	FairVine Growth Option
Who is this investment for?	The Balanced option has a higher allocation to shares and property than fixed interest and cash. It's designed for members seeking medium to long-term growth who are willing to accept short term fluctuations in returns.	The Growth has a higher allocation to growth assets (shares and property) than the Balanced option. It is also designed for members seeking medium to long-term growth who are willing to accept a higher level of short term fluctuations in returns compared to the Balanced option.
Investment return objective	To achieve a return after tax and investment management fees equal to or better than CPI plus 2.5% per year when measured over any 10 year period	To achieve a return after tax and investment management fees equal to or better than CPI plus 3.0% per year when measured over any 10 year period
Minimum suggested time frame	10	10
Standard Risk Measure*: Risk Band and Label	Medium (Risk Band 4)	Medium (Risk Band 4)
Estimate number of negative annual returns over any 20-year period	2 to less than 3	2 to less than 3
Asset Allocation Growth	70%	80%
Australian shares	35% range (15% - 45%)	40% range (25% - 55%)
International shares	30% range (15% - 45%)	35% range (25% - 55%)
Australian listed property	5% range (0% - 15%)	5% range (0% - 15%)
Asset Allocation Defensive	30%	20%
Australian fixed interest	10% range (0% - 20%)	10% range (0% - 20%)
International fixed interest	10% range (0% - 20%)	5% range (0% - 20%)
Cash	10% range (0% - 15%)	5% range (0% - 15%)

The investment returns for the FairVine Super Options as at 30 June 2020

Option	3 months to 30 June 2020	1 Year to 30 June 2020	Since Inception (30.4.2019)
Balanced Option	5.33%	-4.01%	-2.78%
Growth Option	5.93%	-4.68%	-4.81%

**Investment Managers utilised by FairVine**

SPDR S & P / ASX 200 ESG Fund;  
Vanguard Ethically Conscious International Shares Index ETF (unhedged);  
Macquarie True Index Listed Property Fund;  
Macquarie True Index Australian Fixed Interest Fund;  
Macquarie True Index Tracking Global Tracking Bond Fund;  
Macquarie True Index Cash Fund.

## The Elevate Super Sub Plan

The Elevate Super Sub Plan was established on the 1<sup>st</sup> November 2019.

### Promoter of the Elevate Super Sub Plan

AtlasTrend Pty Ltd  
 ABN 83 605 565 491 Corporate Authorised Representative No 001233660  
 Level 2, 383 George Street  
 Sydney NSW 2000

The Elevate Sub Plan offers a choice of two investment strategies, as detailed below.

	Elevate Balanced Option	Elevate Growth Option
Who is this investment for?	The Elevate Balanced option has a higher allocation to growth assets (equities) than fixed interest and cash. It's designed for members seeking medium to long-term growth who are willing to accept short term fluctuations in returns.	The Elevate Growth option has a higher allocation to growth assets (equities) than the Elevate Balanced option. It is also designed for members seeking medium to long-term growth who are willing to accept a higher level of short term fluctuations in returns compared to the Elevate Balanced option.
Investment return objective	To achieve a return after tax and investment management fees equal to or better than CPI plus 2.5% per year when measured over any 10 year period	To achieve a return after tax and investment management fees equal to or better than CPI plus 3.0% per year when measured over any 10 year period
Minimum suggested time frame	10	10
Standard Risk Measure*: Risk Band and Label	Medium (Risk Band 6)	Medium (Risk Band 6)
Estimate number of negative annual returns over any 20-year period	4 to less than 6	4 to less than 6
Asset Allocation Growth	75%	90%
Australian equities	32% range (17% - 47%)	37.5% range (25% - 55%)
International equities	28% range (13% - 43%)	37.5% range (25% - 55%)
Emerging market equities	15% range (0% - 15%)	15% range (0% - 15%)
Asset Allocation Defensive	25%	10%
Australian fixed interest	13% range (0% - 20%)	5% range (0% - 20%)
International fixed interest	7% range (0% - 20%)	2.5% range (0% - 20%)
Cash	5% range (0% - 15%)	2.5% range (0% - 20%)

The investment returns for the Elevate Super Options as at 30 June 2020

<b>Option</b>	<b>3 months to 30 June 2020</b>	<b>Since Inception (31.1.2020)</b>
Balanced Option	7.65%	-3.29%
Growth Option	9.05%	-5.85%

#### **Investment Managers utilised by Elevate Super**

BetaShares Australian Sustainability Leaders ETF;  
 Alphinity Sustainable Share Fund;  
 Russell Australian Responsible Investment ETF;  
 BetaShares Global Sustainability Leaders ETF;  
 Nanuk New World Fund;  
 iShares ESG MSCI EM ETF;  
 Vanguard Australian Fixed Interest ETF;  
 Vanguard International Fixed Interest ETF (hedged);  
 iShares Core Cash ETF.

#### **Aracon Superannuation Fund investments at 30 June 2020**

ARA Investment Fund	290,674,991
Listed Australian Equities	11,236,275
Listed Australian Trusts	16,915,883
Listed International Equities	11,152,118
Unlisted Fixed Interest Securities	8,659,218
Unlisted Managed Funds	3,030,228
Australian Cash	10,309,093
Foreign Cash	2,280,331
<b>Total Investments</b>	<b>\$354,258,137</b>

Single Investments exceeding 5% of Fund Assets  
*The following exceed 5% of the total of the Fund's assets.*

Investment	Valuation Method	% of Total Assets
ARA Investment Fund	Redemption Value	82%

#### **Financial Information**

The following is abridged financial information for the Fund, which has been extracted from the audited fund accounts. A copy of the audited fund accounts, including the auditor's report, is available at:

<https://www.araconsuper.com.au>

## Statement of Financial Position as at 30 June 2020

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>		
Cash and cash equivalents	10,309	6,920
Foreign cash	2,280	-
Investment income receivable	3,567	-
Other receivables	113	109
Investments held at fair market value	341,669	328,213
<b>Other assets</b>		
Current tax asset	79	-
Deferred tax assets	579	235
<b>TOTAL ASSETS</b>	<b>358,596</b>	<b>335,477</b>
<b>Liabilities</b>		
Benefits payable	890	606
Accounts payable and accrued expenses	205	44
Current tax liabilities	-	203
Deferred tax liabilities	-	12
<b>TOTAL LIABILITIES EXCLUDING MEMBER BENEFITS</b>	<b>1,095</b>	<b>865</b>
<b>NET ASSETS AVAILABLE FOR MEMBER BENEFITS</b>	<b>357,501</b>	<b>334,612</b>
Defined contribution member liabilities	356,546	333,818
<b>TOTAL NET ASSETS</b>	<b>955</b>	<b>794</b>
<b>Equity</b>		
Operational Risk Reserve	802	794
Expense Reserve	153	-
<b>TOTAL EQUITY</b>	<b>955</b>	<b>794</b>

## Statement of Changes in Member Benefits for the year ended 30 June 2020

		<b>2020</b>	<b>2019</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance of member benefits as at 1 July</b>	<b>333,818</b>	<b>328,798</b>	
<b>Contributions</b>			
Employer contributions		3,108	2,591
Member contributions		8,141	5,478
Government contributions		18	-
Transfers in from other superannuation entities	50,957	15,355	
Income tax on contributions		(466)	(389)
<b>Net after tax contributions</b>		<b>61,758</b>	<b>23,035</b>
Benefits to members		(35,750)	(32,236)
Insurance premiums charged to members' accounts		(72)	(57)
<b>Net benefits allocated, comprising:</b>			
Net investment income (loss)		(4,311)	12,968
Net administration fees after rebates		911	1,391
Net adviser fees		(203)	-
Net tax credit		395	(81)
<b>Closing balance of member benefits as at 30 June</b>		<b>356,546</b>	<b>333,818</b>