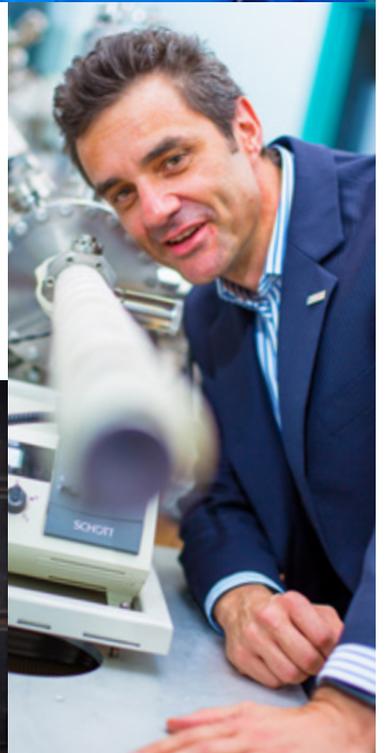




Report to members

for the year ended 30 June 2016

The super fund for Australia's higher education and research sector



ABOUT THIS ANNUAL REPORT

This annual report has been prepared and issued by UniSuper Limited ABN 54 006 027 121 as Trustee of UniSuper.

This information is of a general nature only and includes general advice. It has been prepared without taking into account your individual objectives, financial situation or needs. Before making any decision in relation to your UniSuper membership, you should consider your personal circumstances, the relevant product disclosure statement for your membership category and whether to consult a licensed financial adviser.

Every care has been taken with the information provided in this publication. However, because of the complex nature of superannuation and taxation law and the frequent changes occurring, UniSuper Limited reserves the right to correct any error or omission.

If there is any discrepancy between this publication and the Trust Deed and Regulations (together, the Trust Deed), the Trust Deed will be the final authority.

Information in this publication is current as at the date of issue, but may change in the future.

IN THIS ANNUAL REPORT

UniSuper is referred to throughout this document as “UniSuper” or the “Fund” (ABN 91 385 943 850).

UniSuper Limited is the corporate trustee of the Fund and is referred to throughout this document as “UniSuper Limited” or the “Trustee” (ABN 54 006 027 121/ MySuper Authorisation No. 91385943850448).

UniSuper Management Pty Ltd is the administrator of the Fund and is referred to throughout this document as “USM” or the “Administrator” (ABN 91 006 961 799). UniSuper Management Pty Ltd is authorised to deal in financial products and to provide financial advice to members, which it does thorough UniSuper Advice.

UniSuper Limited Board is referred to throughout this document as the “Board” or the “Directors”.

The SuperRatings data in this report is based on SuperRatings Pty Ltd’s Fund Crediting Rate Survey for periods ending 30 June 2016, published on 20 July 2016. SuperRatings Pty Limited holds Australian Financial Services Licence No. 311880. Past performance is not an indicator of future performance. The SuperRatings data does not take into account any subsequent revisions or corrections made by SuperRatings. At the time of preparation, UniSuper was not aware of any revisions or corrections which would be materially adverse to members. Any information provided is of a general nature and is not guaranteed to be accurate or complete. Information has been prepared and provided without taking into account the recipient’s objectives, financial situation or needs. The recipient should consider obtaining independent advice before making any decision about a financial product referred to and should obtain and consider a copy of the relevant Product Disclosure Statement from the product issuer.



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November 2016
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Members can request a hard copy or emailed version of this report free of charge by calling 1800 331 685. It is also available at unisuper.com.au.





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From our Chairman and CEO

It's our pleasure to present the 2016 *Report to members*. The last 12 months has been a period of strong financial returns and achievements for UniSuper. With more than 420,000 members and over \$54 billion in net funds under management, we're one of Australia's largest super funds¹.



CHRIS CUFFE
Chairman

Our purpose remains to deliver greater retirement outcomes for members through our defined benefit, accumulation and pension options whilst maintaining competitive fees and constantly innovating to deliver enhanced products and services.

We're very proud of the Fund's achievements this financial year, delivered by our people whose expertise and strong focus on members continue to deliver successful retirement outcomes for members and the Fund as a whole.



KEVIN O'SULLIVAN
Chief Executive Officer

Investment performance

Over the 2015-16 financial year, generally weak performance across global share markets meant that absolute returns across our investment options, particularly for those with a higher exposure to growth assets, were more subdued than in the previous three years.

Our Balanced (Accumulation) option returned 5.9% for the year² and was ranked fourth by SuperRatings out of 188 surveyed funds for the period³. Across the board, all of our Pre-Mixed accumulation options in this survey ranked in the top quartile of their respective peer funds, and our Capital Stable and Conservative Balanced options (Accumulation) were ranked first³. Read our Chief Investment Officer's report on page 6 for a more detailed overview.

¹ Source: UniSuper funds under management at 30 June 2016. Total member accounts at 30 June 2016.

² Past performance is not an indicator of future performance. Returns are after fund taxes and investment expenses, other than account-based fees.

³ Source: SuperRatings Fund Crediting Rate Survey for periods ending 30 June 2016, published on 20 July 2016. The SuperRatings data does not take into account any subsequent revisions or corrections made by SuperRatings. At the time of preparation, UniSuper was not aware of any revisions or corrections which would be materially adverse to members. Ratings relate to Accumulation (not Pension) options. Past performance is not an indicator of future performance.

Legislation update and advocacy

While the financial year saw little in the way of legislative change, May's 2016 Federal Budget included a significant number of announcements that, if legislated and passed, are likely to result in more change over the next 12 months.

Policy announcements, legislative changes to superannuation and broader retirement income and tax adjustments are something we have learnt to navigate adeptly. We take an active role in super policy debates and regularly provide submissions to public enquiries to ensure our members' needs are voiced and understood by policy makers.

The Government currently has a number of policies in motion that could mean changes to the way superannuation boards govern, an extension of choice of fund for those covered by enterprise bargaining agreements and a system-wide review of the 'efficiency and competitiveness' of the superannuation system. We'll continue to advocate strongly for the best possible outcomes for our members.

Financial advice expansion

In 2015-16, our financial advice team focused on providing more advice and a growing range of related services to UniSuper members. We further expanded our team, which grew by seven, bringing the total to 38 personal advisers around the country. Throughout this journey, we have continued to focus on diversity. As a result, we are proud to say that almost 40% of our personal advisers are female, though we continue to aspire to more equal representation over time.

The Select Advice (limited advice) offer also expanded during the year. This service can now assist members with personal advice on one or two issues either over the phone, in-person on campus, or at one of our new or refurbished member centres. These advisers can now provide advice on Flexi Pensions, including helping members set up their accounts for retirement.

The period also saw new services introduced for members needing estate planning, legal and tax advice.

Further, we increased the number of on-campus consultants (OCCs) to 22, meaning our OCCs are now servicing every participating university across 115 locations. In the last 12 months, our OCCs met with almost 10,000 members answering a range of questions about members' super and retirement needs.

Award recognition

In 2015-16, we were recognised as an industry-leading fund, winning three separate *Fund of the Year* awards. Leading ratings agency Chant West recognised us as the best of the best, naming us 'Super Fund of the Year' for the second year in a row⁴. We were also recognised as the 'Fund of the Year' at the Conexus Financial Superannuation Awards⁵ and the Super Review and BNP Paribas 'Super Fund of the Year'⁶ awards.

These accolades are testimony to our daily focus on delivering greater retirement outcomes for you, and our strong ongoing investment performance.

⁴ Source: Chant West Fund Award at www.chantwest.com.au. Chant West Pty Limited ABN 75 077 595 316. For further information about the ratings methodology used by Chant West, see at www.chantwest.com.au. Chant West has given its consent to the inclusion in this Report to Shareholders of the references to Chant West and the inclusion of the logos and ratings provided by Chant West in the form and context in which they are included.

⁵ Source: Conexus Financial Pty Ltd ABN: 51 120 292 257. For further information about the ratings methodology used by Conexus Financial, see at www.conexussuperawards.com.au. The Conexus Financial Superannuation Awards are determined using proprietary methodologies. Awards were issued March 4, 2016 and are solely statements of opinion and do not represent recommendations to purchase, hold, or sell any securities or make any other investment decisions. Ratings are subject to change.

⁶ Source: Super Review events at www.superreview.com.au/events/2016-super-fund-year-awards. Issued by The Heron Partnership Pty Ltd ABN 79 100 796 272, AFSL 252538.

Defined Benefit Division update

The Vested Benefits Index (VBI) and Accrued Benefits Index (ABI), key actuarial measures used to monitor the financial health of the Defined Benefit Division (DBD), maintained strong positions during the financial year.

The DBD has served UniSuper, its members and employers well for more than 30 years. Our research has highlighted that now, more than ever, when it comes to super, members are looking for flexibility. To this end, we're looking forward to introducing FlexiChoice, our new, in-development flagship super and pension solution, providing members with choice and flexibility during their working lives, including the ability to build a reliable income to enjoy in retirement. FlexiChoice is designed specifically for the unique needs of the higher education and research sector and is progressing well. We'll continue to engage extensively with stakeholders as it progresses. We expect to offer FlexiChoice as our default product for eligible new members during the 2017-18 financial year.

The DBD remains an attractive fund, offering members many advantages. We remain committed to maintaining defined benefit-style products as we believe they provide benefits that better-enable members to forecast their retirement income, as well as enjoy the advantages associated with smoothed investment returns over time.

With thanks

We'd like to thank all Directors for their contributions over the last financial year and welcome new Directors Leila Green, Peter Dawkins and Nicolette Rubinsztein to the UniSuper Board.

Lastly, thank you to you, our members for your ongoing support. We look forward to continuing to provide you with the very best in terms of products and services, fees and returns for greater retirement outcomes—this year and beyond.



CHRIS CUFFE
 Chairman
 UniSuper Limited



KEVIN O'SULLIVAN
 Chief Executive Officer
 UniSuper Management Pty Ltd

The year that was – a Fund update

We're proud of our 30 year history dedicated to people working in Australian higher education and research sector. Here are some of the year's highlights drawn from our in-house administration and internal investment management capabilities.

 <p style="font-size: 2em; font-weight: bold; margin: 10px 0;">\$54.6</p> <p>billion in net funds under management</p>	 <p style="font-size: 2em; font-weight: bold; margin: 10px 0;">3,300</p> <p>Over 3,300 members received personal advice</p>
<p style="font-size: 2em; font-weight: bold; margin: 10px 0;">115</p> <p>Expanded on campus presence servicing universities across 115 locations</p>	

	<p style="font-size: 1.2em; font-weight: bold; margin: 10px 0;">One of Australia's largest super funds with over 420,000 members</p>
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 <p style="font-size: 1.2em; font-weight: bold; margin: 10px 0;">Low member fees relative to peers</p>	 <p style="font-size: 2em; font-weight: bold; margin: 10px 0;">98%</p> <p>of administration requests processed within one day</p>	 <p style="font-size: 1.2em; font-weight: bold; margin: 10px 0;">Achieved a string of industry awards and recognition</p>	 <p style="font-size: 1.2em; font-weight: bold; margin: 10px 0;">New secure member portal launched with videos, tools and 'live chat' service</p>
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	<p style="font-size: 1.2em; font-weight: bold; margin: 10px 0;">Strong investment performance with another year of top quartile investment returns relative to peers for various investment options.</p>
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<p style="font-size: 1.2em; font-weight: bold; margin: 10px 0;">Hundreds of thousands of personalised statement video summaries and retirement income projections provided to members since August 2015</p>	
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THE NUMBERS	
ACCOUNT TYPE	
Defined Benefit	82,413
Accumulation 2	20,669
Accumulation 1	288,103
Spouse Accounts	4,856
Pension	25,042
Total accounts as at 30 June 2016	421,083

Investment & performance

John Pearce, Chief Investment Officer provides an overview of the 2015-16 financial year.



John Pearce
Chief Investment Officer

From the Chief Investment Officer

Market movements in any given year are driven by events that might look unique on the surface. It's fair to say that 2015-16 had its share of these 'unique' events, but digging a little deeper, we see an extension of themes that can be said to have characterised the 'post-Global Financial Crisis (GFC) era'.

The post-GFC themes we've observed include global share markets tending to overreact to negative surprises, the demand for bonds driven by seemingly irresistible forces (risk aversion, demographics, central bank policy and falling commodity prices), and yields on shares (and property) being persistently higher than bonds.

HOW THE YEAR BEGAN

The financial year opened with hopes that the United States (US) was going to lead the world's conduct on monetary policy, moving towards some semblance of normality. Rate tightening looked likely in September, when another Greek debt bailout was agreed and Europe no longer dominated front page news. However, the calm was then shattered by collapsing commodity prices, seeing oil, coal and iron ore falling around 45%, 17% and 30% respectively in a matter of months.

Not surprisingly, the energy and materials sectors were hardest hit. Banks were also heavily sold as investors factored in a wave of loan defaults. The Australian market—with its large exposure to these sectors—was impacted heavily as shown in the graph on page 7.

THE YEAR UNFOLDS

The US Federal Reserve waited until December before raising interest rates by 0.25%, foreshadowing further increases, although this never eventuated. Commodity prices remained weak and volatile, before finding solid footing again in February. On top of weak commodity prices, Japan's central bank surprised the market by cutting rates to negative territory, hampering any chance of moving back to 'normality'. The Reserve Bank of Australia responded to the commodity price fall and a stubbornly strong currency by cutting rates in May to 1.75%. Volatile share markets and relentless falls in bond yields received a further catalyst in late June when Britain's exit from the European Union ('Brexit') was announced. The financial year ended with more than \$10 trillion in global bonds offering negative yields. At the time of writing, the market has seemingly brushed Brexit aside, and following a strong US employment report, talk has once again turned to a rate rise before the end of the 2016 calendar year. It's hard not to have a sense of déjà vu, and we suspect the post-GFC themes discussed earlier will prevail for some time.

SGP/ASX 200 Index over the past 12 months



OUR INVESTMENT PERFORMANCE

The table below shows selected diversified options. With close to 100% of its portfolio allocated to ‘growth’ assets, the High Growth option is considered our highest risk option.

At the opposite end sits Capital Stable, with a 70% allocation to ‘defensive’ assets. The Balanced option—our default option—sits somewhere in between, with about 70% of its portfolio allocated to growth assets.

A CLOSER LOOK

With a large allocation to defensive assets such as bonds, the Capital Stable option was well-placed to benefit from the continued fall in bond yields (and rise in bond prices). Over the financial year it was the second-strongest performer among our diversified options (Conservative Balanced being the strongest performer). That said, it’s important to remember that super is generally a long-term investment. Over the longer term members invested in higher risk options have generally been rewarded, with our High Growth option recording the highest return since the GFC.

In the context of generally poor-performing global share markets (the MSCI World Index was negative 2.7% for the year, in local currency terms), it was pleasing to see our Balanced (Accumulation) option returning 5.9% for the year, following six years of double-digit returns (on average). This put us well within the top quartile of all surveyed balanced funds across the industry.¹

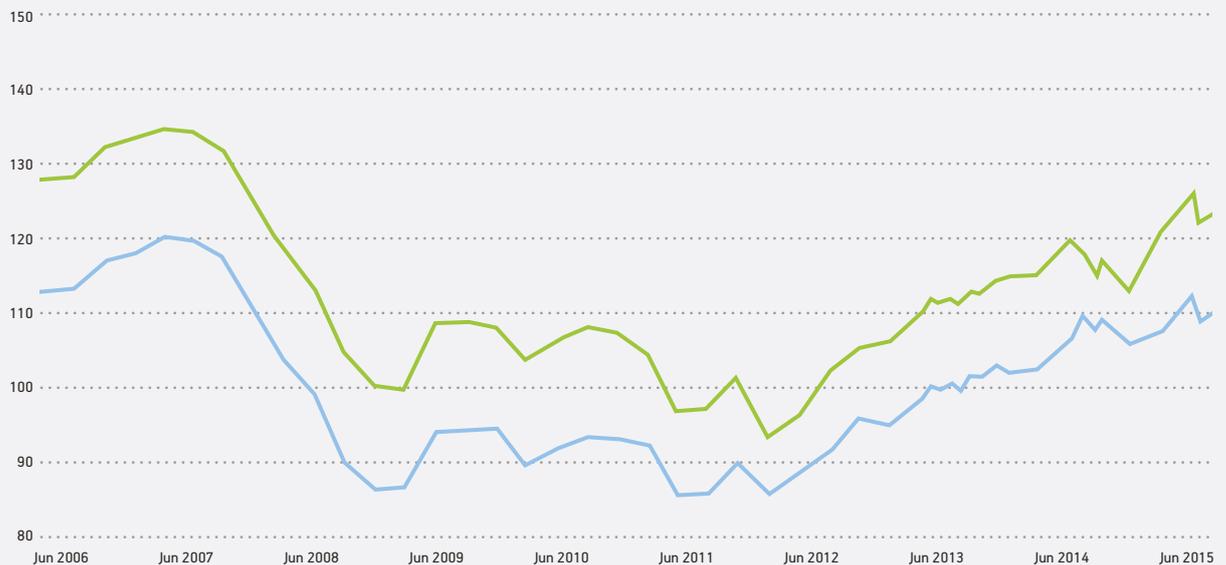
One driver of this strong return has been the performance of our key holdings in listed property and infrastructure, with a number of these investments hitting record highs in an otherwise flat market. These include Transurban (35%), Sydney Airport (45%), Duet (22%), APA (17%), GPT (32%) and Scentre (38%). UniSuper is the largest shareholder in all of these companies with the exception of Scentre, where we are one of its top three shareholders.

	HIGH GROWTH	BALANCED	CAPITAL STABLE
1 year (%)	3.0	5.9	7.6
SuperRatings ranking	16/76	4/188	1/134
3 years (% p.a.)	10.8	10.2	7.7
SuperRatings ranking	8/71	2/171	1/124
5 years (% p.a.)	10.1	9.6	7.5
SuperRatings ranking	9/70	2/160	1/110

Returns are for periods to 30 June 2016. Past performance is not an indication of future performance. Returns relate to our Accumulation (not Pension) investment options and are published after fund taxes and investment expenses, other than account-based fees. SuperRatings data based on SuperRatings Fund Crediting Rate Survey for periods ending 30 June 2016, published on 20 July 2016 and does not take into account any subsequent revisions or corrections made by SuperRatings.

¹ Based on the SuperRatings Fund Crediting Rate Survey for periods ending 30 June 2016 of all super funds with Balanced options within a 60%-76% growth asset range, which took part in the survey published on 20 July 2016. The SuperRatings data does not take into account any subsequent revisions or corrections made by SuperRatings. At the time of preparation, UniSuper was not aware of any revisions or corrections which would be materially adverse to members.

Movement in the VBI and ABI over the past decade



DEFINED BENEFIT DIVISION (DBD) INVESTMENT UPDATE

Two measures are used to regularly check the DBDs financial position; the 'Vested Benefits Index' (VBI) and 'Accrued Benefits Index' (ABI). Both of these measures are designed to measure the DBD's capacity to pay members' benefits.

At the time of writing, the preliminary of the VBI and ABI as at 30 June 2016 were 112.2% and 122.2% respectively, indicating a healthy surplus position.

The steady improvement in the DBD's funding level can be attributed to recovering investment markets, as well as our DBD investment strategy which has benefited from large overweight positions to the strongest performing market sectors.

The DBD's portfolio is dominated by large investments in 'fortress assets' including the listed infrastructure and AREIT stocks mentioned earlier. The DBD portfolio returned 11.3% over the 2015-16 financial year and 11.9% p.a. over the past five years. To put this in context, although the DBD is not included in any survey, the portfolio's return over five years to 30 June 2016 is higher than the reported return of all diversified fund options included in SuperRatings' surveys.

The health of our DBD stands in sharp contrast to many pension schemes worldwide. Milliman¹ tracks the 100 largest corporate defined benefit schemes in the US and estimates average funding level to be around 77% as at end May— despite the US share market outperforming the Australian market. The disparity in performance can be attributed to differing approaches to asset management; our bias has been in favour of fortress assets, and American funds have been more heavily-weighted towards bonds.

We're proud of the DBD's performance, particularly the way it withstood recent market gyrations. In an ideal world, a healthy surplus would provide the opportunity to 'de-risk' the portfolio by investing in long-term bonds, matching the profile of the DBD's liabilities. However, the yield offered in bond markets is not yet at a point where we believe this is the best choice. We'll continue to carefully monitor and adjust the portfolio where we see the best and most prudent opportunities for sustaining the DBD.

¹ Milliman is a global provider of actuarial and related products and services to a range of clients including business, financial, government, union, education, and non-profit organisations. www.milliman.com.

Investment returns

UniSuper accumulation accounts

ANNUAL ACCUMULATION INVESTMENT RETURNS FOR FINANCIAL YEARS ENDING 30 JUNE 2016					
INVESTMENT OPTION	2015/16	2014/15	2013/14	2012/13	2011/12
Pre-Mixed					
Capital Stable	7.57%	6.93%	8.50%	8.73%	5.97%
Conservative Balanced	8.85%	9.30%	10.80%	12.48%	3.92%
Balanced	5.91%	11.02%	13.88%	15.88%	1.69%
Sustainable Balanced	3.13%	12.62%	15.08%	16.36%	-1.49%
Growth	3.90%	11.78%	15.91%	18.75%	0.03%
High Growth	3.00%	12.60%	17.29%	20.48%	-1.29%
Sustainable High Growth	3.17%	15.50%	19.27%	21.91%	-5.87%
Sector					
Cash	2.03%	2.26%	2.43%	3.11%	4.27%
Australian Bond	6.49%	4.53%	5.06%	1.73%	10.73%
Diversified Credit Income ²	2.30%	0.98%	n.a.	n.a.	n.a.
Listed Property	19.40%	18.16%	10.92%	20.35%	9.28%
Australian Shares	0.73%	5.96%	16.98%	22.44%	-5.41%
International Shares	0.86%	22.38%	19.19%	23.74%	-0.79%
Global Environmental Opportunities ³	-3.03%	11.64%	20.47%	38.09%	-5.97%
Australian Equity Income ³	4.51%	10.41%	18.43%	30.01%	1.51%
Global Companies in Asia ³	-0.82%	20.88%	15.57%	24.77%	-3.59%

The value of investments can rise and fall and past performance of an investment option should not be relied upon as an indicator of future performance. Returns are calculated after Fund taxes and after investment expenses (before deducting account-based fees). Members should be aware that the returns applied to their account will depend on the investment option(s) they invest in, the period of time they were invested in the option(s) and the timing of cash flows into and out of their account.

² The investment option commenced on 1 September 2014, therefore returns for prior financial years are not available. The investment return shown for 2014/15 is for the period 1 September 2014 to 30 June 2015 only.

³ The investment option commenced on 21 April 2012, therefore returns for prior financial years are not available.

ANNUALISED ACCUMULATION INVESTMENT RETURNS FOR 5 AND 7-YEAR PERIODS TO 30 JUNE 2016				
Accumulation option	5 YEAR ANNUALISED RETURNS		7 YEAR ANNUALISED RETURNS	
	Investment return % p.a.	Survey median ⁶ % p.a.	Investment return % p.a.	Survey median ⁶ % p.a.
Pre-Mixed				
Capital Stable	7.53	5.66	7.56	6.26
Conservative Balanced	9.03	6.71	8.91	7.31
Balanced	9.55	7.86	9.46	8.30
Sustainable Balanced	8.91	n.a.	8.81	n.a.
Growth	9.84	8.19	9.79	8.86
High Growth	10.10	8.80	10.11	9.36
Sustainable High Growth	10.28	n.a.	9.68	n.a.
Sector				
Cash	2.82	2.64	3.18	3.01
Australian Bond	5.67	n.a.	5.69	n.a.
Diversified Credit Income ⁷	-	-	-	-
Listed Property	15.53	n.a.	15.50	n.a.
Australian Shares	7.66	7.25	8.69	8.52
International Shares	12.55	11.17	11.79	10.00
Global Environmental Opportunities ⁸	-	-	-	-
Australian Equity Income ⁸	-	-	-	-
Global Companies in Asia ⁸	-	-	-	-

The value of investments can rise and fall and past performance of an investment option should not be relied upon as an indicator of future performance. Returns are calculated after Fund taxes and after investment expenses (before deducting account-based fees). Members should be aware that the returns applied to their account will depend on the investment option(s) they invest in, the period of time they were invested in the option(s) and the timing of cash flows into and out of their account.

⁶ Source: SuperRatings Pty Ltd's Fund Crediting Rate Survey June 2016 published on 20 July 2016, www.superratings.com.au. Past performance is not an indicator of future performance. The SuperRatings data does not take into account any subsequent revisions or corrections made by SuperRatings. At the time of preparation, UniSuper was not aware of any revisions or corrections which would be materially adverse to members. A survey median was not available for all categories of investment options. Information provided is of a general nature and is not guaranteed to be accurate or complete. This is not financial product advice; independent professional advice should be obtained from a licensed financial adviser before making any financial decision.

⁷ The investment option commenced on 1 September 2014, therefore returns for prior financial years are not available.

⁸ The investment option commenced on 21 April 2012, therefore returns for prior financial years are not available.

UniSuper Term Allocated and Flexi Pensions

ANNUAL PENSION INVESTMENT RETURNS FOR FINANCIAL YEARS ENDING 30 JUNE 2016					
INVESTMENT OPTION	2015/16	2014/15	2013/14	2012/13	2011/12
Pre-Mixed					
Capital Stable	8.74%	8.05%	9.99%	10.01%	6.93%
Conservative Balanced	10.13%	10.61%	12.59%	14.14%	4.38%
Balanced	6.65%	12.39%	15.85%	17.83%	1.87%
Sustainable Balanced	3.62%	14.31%	17.27%	19.08%	-1.75%
Growth	4.42%	13.11%	17.90%	20.85%	-0.06%
High Growth	3.48%	14.01%	19.46%	22.80%	-1.49%
Sustainable High Growth	3.63%	17.28%	21.79%	25.46%	-6.61%
Sector					
Cash	2.54%	2.84%	2.99%	3.75%	5.08%
Australian Bond	7.72%	5.56%	6.17%	2.17%	12.72%
Diversified Credit Income ⁹	2.79%	1.27%	n.a.	n.a.	n.a.
Listed Property	21.27%	20.44%	12.35%	22.59%	10.64%
Australian Shares	1.70%	7.01%	18.68%	24.37%	-6.40%
International Shares	0.35%	24.81%	21.35%	27.68%	-1.42%
Global Environmental Opportunities ¹⁰	-3.92%	13.01%	23.33%	44.19%	-6.80%
Australian Equity Income ¹⁰	6.01%	12.52%	20.46%	32.50%	1.79%
Global Companies in Asia ¹⁰	-1.66%	23.39%	17.63%	28.12%	-4.09%

The value of investments can rise and fall and past performance of an investment option should not be relied upon as an indicator of future performance. Returns are calculated after Fund taxes and after investment expenses (before deducting account-based fees). Members should be aware that the returns applied to their account will depend on the investment option(s) they invest in, the period of time they were invested in the option(s) and the timing of cash flows into and out of their account.

⁹ The investment option commenced on 1 September 2014, therefore returns for prior financial years are not available. The investment return shown for 2014/15 is for the period 1 September 2014 to 30 June 2015 only.

¹⁰ The investment option commenced on 21 April 2012, therefore returns for prior financial years are not available.

ANNUALISED PENSION INVESTMENT RETURNS FOR 5 AND 7-YEAR PERIODS TO 30 JUNE 2016				
UniSuper Pension option	5-YEAR ANNUALISED RETURNS		7-YEAR ANNUALISED RETURNS	
	Investment return % p.a.	Survey median ¹³ % p.a.	Investment return % p.a.	Survey median ¹³ % p.a.
Pre-Mixed				
Capital Stable	8.74	6.48	8.81	7.09
Conservative Balanced	10.32	7.44	10.26	8.08
Balanced	10.76	8.69	10.77	9.09
Sustainable Balanced	10.20	n.a.	10.09	n.a.
Growth	10.96	9.46	11.04	9.95
High Growth	11.26	9.91	11.47	10.55
Sustainable High Growth	11.64	n.a.	11.26	n.a.
Sector				
Cash	3.44	3.19	3.83	3.56
Australian Bond	6.81	n.a.	7.38	n.a.
Diversified Credit Income ¹⁴	-	-	-	-
Listed Property	17.35	n.a.	17.46	n.a.
Australian Shares	8.50	7.96	9.90	9.51
International Shares	13.85	12.05	13.13	11.01
Global Environmental Opportunities ¹⁵	-	-	-	-
Australian Equity Income ¹⁵	-	-	-	-
Global Companies in Asia ¹⁵	-	-	-	-

The value of investments can rise and fall and past performance of an investment option should not be relied upon as an indicator of future performance. Returns are calculated after Fund taxes and after investment expenses (before deducting account-based fees). Members should be aware that the returns applied to their account will depend on the investment option(s) they invest in, the period of time they were invested in the option(s) and the timing of cash flows into and out of their account.

¹³ Source: SuperRatings Pty Ltd's Fund Crediting Rate Survey June 2016 published on 20 July 2016, www.superratings.com.au. It does not take into account any subsequent revisions or corrections made by SuperRatings. At the time of preparation, UniSuper was not aware of any revisions or corrections which would be materially adverse to members. A survey median was not available for all categories of investment options. Information provided is of a general nature and is not guaranteed to be accurate or complete. This is not financial product advice; independent professional advice should be obtained from a licensed financial adviser before making any financial decision.

¹⁴ The investment option commenced on 1 September 2014, therefore returns for prior financial years are not available.

¹⁵ The investment option commenced on 21 April 2012, therefore returns for prior financial years are not available.

Our assets

UniSuper had \$54.6 billion in net funds under management as at 30 June 2016.

There are no single investments (or groups of related investments) which represent more than 5% of total assets of the Fund as a whole or of the total accumulation and pension option assets.

There were three shareholdings in the DBD that represented more than 5% of the total DBD assets as at 30 June 2015:

INVESTMENT	WEIGHT IN DBD
Transurban Group	7.9%
Sydney Airport	6.0%
Scentre Group	6.1%

Accumulation and pension options

Funds invested in our options were invested across the various asset classes as at 30 June 2015 and 30 June 2016 as outlined in the following table:

ASSET CLASS (TOTAL)	2016	2015
Australian Shares	34.9%	36.7%
International Shares	20.9%	23.0%
Fixed Interest	18.1%	17.6%
Cash	12.2%	11.2%
Property	5.8%	2.5%
Sustainable	4.8%	5.1%
Infrastructure and Private Equity	3.2%	3.8%

Note: These figures relate to all of the investment options (accumulation and pension) as a whole. The allocation of your chosen investment option will be different to those outlined above.

Refer to pages 15 to 21 for details of how each investment option was invested.

Defined Benefit Division

Funds invested in the Defined Benefit Division (DBD) were invested across the various asset classes as at 30 June 2015 and 30 June 2016 as outlined in the following table:

ASSET CLASS (TOTAL)	2016	2015
Australian Shares	56.6%	59.2%
International Shares	8.6%	10.5%
Fixed Interest	12.3%	9.7%
Cash	4.3%	3.4%
Property	10.4%	8.8%
Sustainable	0.0%	0.0%
Infrastructure and Private Equity	7.9%	8.4%



MORE INFORMATION

For more information about our investments and shareholdings, please see unisuper.com.au/investments

How investments are managed

Accumulation super and pension members

If you have an Accumulation 1 or 2 account or an accumulation component through your DBD membership, you can choose to invest in a range of investment options. Flexi Pension and Term Allocated Pension members can choose from the same suite of options.

Each investment option has a performance objective and risk objective, or level of return it aims to achieve over a recommended investment time frame, after taking into account its risk and return characteristics. This and other detailed information about each option is provided on pages 15 to 21 of this report.

All options invest in a diverse mix of assets and/or asset classes:

- Pre-Mixed options invest in a mix of growth and/or defensive assets
- Sector options generally invest in a diverse mix of investments within a particular asset class

With so much choice, there's an option that's likely to suit your risk profile and help deliver you greater retirement outcomes.

Defined Benefit Division members

If you're in the DBD, the bulk of your benefit is calculated using a formula that takes into account your age, benefit, salary, period of service, average service fraction and level of contributions. All member and employer contributions made to the DBD are pooled and invested in a single diversified portfolio. The Trustee continually monitors and reviews this portfolio and may vary its asset allocation from time to time.

Defensive

Defensive investments such as cash and fixed interest generally provide investors with returns in the form of income. These returns don't tend to be strongly influenced by day-to-day market fluctuations, but instead tend to be more consistent. As a result, they generally produce lower long-term returns, but have lower levels of risk.

Growth

Growth investments such as shares, property and alternative investments provide most of their returns in the form of capital growth. These returns can be strongly influenced by market fluctuations, and can therefore vary considerably over shorter time frames. As a result, growth assets carry higher levels of investment risk, especially over short time frames of one to three years. But they also have the potential for higher returns over longer time frames of five to seven years or more.

Our investment options

Each of our investment options is structured with a unique, targeted mix of defensive and/or growth investments—referred to as its strategic asset allocation—to ensure it meets its individual performance objective.

The asset mix of each option is reviewed regularly to ensure actual allocations to growth and defensive assets—and each asset class—are kept within an approved range of the relevant strategy’s asset allocation.

Generally, these strategic asset allocations remain fixed. However, the underlying mix of assets and allocations may be changed to optimise investment option performance.

For each investment option, other than Australian Equity Income and Cash, we try to exceed inflation—which we measure using the Consumer Price Index (CPI).

Capital Stable

PERFORMANCE OBJECTIVES**

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 1.5% p.a. more than inflation (CPI) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Five years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Three in 20 years

SUMMARY RISK LEVEL

Medium to high

OPTION SIZE (\$B)

30 June 2016	2.2
30 June 2015	1.8

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Shares	15.0	15.0
International Shares	8.5	8.5
Property	6.5	6.5
Cash & Fixed Interest	70.0	70.0

INVESTMENT STRATEGY

To invest in a diversified portfolio of largely defensive assets like bonds and cash, and some growth assets like shares and property.

Conservative Balanced

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 2.5% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Four years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	3.2
30 June 2015	2.3

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Shares	23.5	23.5
International Shares	16.0	16.0
Property	10.5	10.5
Cash & Fixed Interest	50.0	50.0

INVESTMENT STRATEGY

To invest in a diversified portfolio of defensive assets like bonds and cash and growth assets like shares and property.

* These are not promises or predictions of any particular rate of return

** As at 1 October 2016 (does not include any subsequent changes)

This table covers both accumulation and pension versions of the investment option.

Each of the asset classes may include small or residual cash balances for portfolio management purposes. Strategic asset allocations are long-term targets. Actual allocations will vary from their strategic allocations, but are monitored so that they are kept within a ‘tolerance range’ approved by the Trustee (refer to the How we invest your money booklet available at unisuper.com.au/pdfs for details). The strategic asset allocation may change throughout your UniSuper membership. In particular the Trustee may alter the strategic asset allocation or the composition of individual asset classes from time to time to suit prevailing market circumstances. Some portion of the allocation to international investments may be hedged against currency movements. Different currencies may be hedged to different extents or possibly not at all. Negative returns may occur more or less regularly than expected. Updated strategic asset allocations and significant changes will be published on our website at unisuper.com.au/investments and in updated and later versions of *How we invest your money and Super Informed*.



Balanced

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses but before deducting account-based fees) that are at least 3.0% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

10 years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	14.4
30 June 2015	13.5

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Shares	36.0	36.0
International Shares	20.0	20.0
Property	9.0	9.0
Infrastructure and Private Equity	5.0	5.0
Cash & Fixed Interest	30.0	30.0

INVESTMENT STRATEGY

To invest in a diversified portfolio comprising mainly growth assets such as Australian and international shares, property, infrastructure and private equity with some bonds investments.



Sustainable Balanced

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses but before deducting account-based fees) that are at least 3.0% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Six years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN**

Five in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	1.3
30 June 2015	1.2

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Shares	42.0	42.0
International Shares	24.5	24.5
Australian Listed Property	3.5	3.5
Cash & Fixed Interest	30.0	30.0

INVESTMENT STRATEGY

To invest in a diversified portfolio of Australian and international shares that are selected on the basis of sustainable investment criteria (and the application of some negative screens) with Australian listed property, fixed interest and cash assets.



Growth

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses but before deducting account-based fees) that are at least 4.0% p.a. more than inflation (CPI) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Five in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	4.3
30 June 2015	4.4

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Shares	44.0	44.0
International Shares	26.0	26.0
Property	10.0	10.0
Infrastructure and Private Equity	5.0	5.0
Cash & Fixed Interest	15.0	15.0

INVESTMENT STRATEGY

To invest in a diversified portfolio comprising mainly growth assets such as Australian and international shares, property, infrastructure and private equity with some bonds investments.

* These are not promises or predictions of any particular rate of return

** As at 1 October 2016 (does not include any subsequent changes)

These tables cover both accumulation and pension versions of the investment option.

Each of the asset classes may include small or residual cash balances for portfolio management purposes. Strategic asset allocations are long-term targets. Actual allocations will vary from their strategic allocations, but are monitored so that they are kept within a 'tolerance range' approved by the Trustee (refer to the How we invest your money booklet available at unisuper.com.au/pdfs for details). The strategic asset allocation may change throughout your UniSuper membership. In particular the Trustee may alter the strategic asset allocation or the composition of individual asset classes from time to time to suit prevailing market circumstances. Some portion of the allocation to international investments may be hedged against currency movements. Different currencies may be hedged to different extents or possibly not at all. Negative returns may occur more or less regularly than expected. Updated strategic asset allocations and significant changes will be published on our website at unisuper.com.au/investments and in updated and later versions of *How we invest your money* and *Super Informed*.



High Growth

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses but before deducting account-based fees) that are at least 5.0% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Five in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	2.5
30 June 2015	2.5

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Shares	57.5	57.5
International Shares	27.0	27.0
Property	10.5	10.5
Infrastructure and Private Equity	5.0	5.0

INVESTMENT STRATEGY

To invest in a diversified portfolio comprising growth assets such as Australian and international shares, property and infrastructure and private equity.



Sustainable High Growth

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment fees but before deducting account-based fees) that are at least 5.0% p.a. more than inflation (CPI) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Five in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	0.9
30 June 2015	0.9

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Shares	60.0	60.0
Australian Listed Property	5.0	5.0
International Shares	35.0	35.0

INVESTMENT STRATEGY

To invest in a diversified portfolio comprising Australian and international shares selected on the basis of sustainable investment criteria (and the application of negative screens together with Australian listed property.



Cash

PERFORMANCE OBJECTIVES*

To achieve the RBA cash rate (after Fund taxes and investment fees but before deducting account-based fees) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

One year

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Negligible

SUMMARY RISK LEVEL

Low

OPTION SIZE (\$B)

30 June 2016	1.9
30 June 2015	1.6

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Cash	100	100

INVESTMENT STRATEGY

To invest in a diversified portfolio of cash and money-market securities, including at-call and term bank deposits, bank bills, negotiable certificates of deposit and other short-term fixed income securities out to a maximum maturity of around one year.

* These are not promises or predictions of any particular rate of return

** As at 1 October 2016 (does not include any subsequent changes)

These tables cover both accumulation and pension versions of the investment option.

Each of the asset classes may include small or residual cash balances for portfolio management purposes. Strategic asset allocations are long-term targets. Actual allocations will vary from their strategic allocations, but are monitored so that they are kept within a 'tolerance range' approved by the Trustee (refer to the How we invest your money booklet available at unisuper.com.au/pdfs for details). The strategic asset allocation may change throughout your UniSuper membership. In particular the Trustee may alter the strategic asset allocation or the composition of individual asset classes from time to time to suit prevailing market circumstances. Some portion of the allocation to international investments may be hedged against currency movements. Different currencies may be hedged to different extents or possibly not at all. Negative returns may occur more or less regularly than expected. Updated strategic asset allocations and significant changes will be published on our website at unisuper.com.au/investments and in updated and later versions of *How we invest your money and Super Informed*.



Australian Bond

PERFORMANCE OBJECTIVES*

To achieve CPI (after Fund taxes and investment fees but before deducting account-based fees) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Four years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	0.5
30 June 2015	0.4

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Bond	100	100

INVESTMENT STRATEGY

To predominantly invest in securities issued or guaranteed by the Australian (Federal and state) governments, and cash.



Diversified Credit Income

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses but before deducting account-based fees) that are at least 0.5% p.a. more than inflation (CPI) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Four years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Five in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	0.1
30 June 2015	0.0

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Global Credit	65.0	65.0
Australian & New Zealand Credit	35.0	35.0

INVESTMENT STRATEGY

To invest in a range of global, Australian and New Zealand corporate bonds with some flexibility to consider allocations to other securities including emerging market debt, residential mortgage-backed securities, commercial mortgage-backed securities and municipal bonds when appropriate.



Listed Property#

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses but before deducting account-based fees) that are at least 3.0% p.a. more than inflation (CPI) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Six years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Five in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	0.7
30 June 2015	0.4

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Property	100.0	100.0

INVESTMENT STRATEGY

To invest in a diversified portfolio of listed property securities.

* These are not promises or predictions of any particular rate of return

** As at 1 October 2016 (does not include any subsequent changes)

Returns from listed property investments are typically more volatile than returns experienced from unlisted property investments.

These tables cover both accumulation and pension versions of the investment option.

Each of the asset classes may include small or residual cash balances for portfolio management purposes. Strategic asset allocations are long-term targets. Actual allocations will vary from their strategic allocations, but are monitored so that they are kept within a 'tolerance range' approved by the Trustee (refer to the How we invest your money booklet available at unisuper.com.au/pdfs for details). The strategic asset allocation may change throughout your UniSuper membership. In particular the Trustee may alter the strategic asset allocation or the composition of individual asset classes from time to time to suit prevailing market circumstances. Some portion of the allocation to international investments may be hedged against currency movements. Different currencies may be hedged to different extents or possibly not at all. Negative returns may occur more or less regularly than expected. Updated strategic asset allocations and significant changes will be published on our website at unisuper.com.au/investments and in updated and later versions of *How we invest your money and Super Informed*.



Australian Shares

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses but before deducting account-based fees) that are at least 5.0% p.a. more than inflation (CPI) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN**

Six in 20 years

SUMMARY RISK LEVEL

Very high

OPTION SIZE (\$B)

30 June 2016	0.3
30 June 2015	0.3

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Shares	100	100

INVESTMENT STRATEGY

To invest in a diversified portfolio of Australian shares.



International Shares

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses but before deducting account-based fees) that are at least 5.0% p.a. more than inflation (CPI) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Five in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	0.5
30 June 2015	0.5

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
International Shares	100	100

INVESTMENT STRATEGY

To invest in a diversified portfolio of international shares.



Global Environmental Opportunities

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses but before deducting account-based fees) that are at least 5.0% p.a. more than inflation (CPI) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Five in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	0.2
30 June 2015	0.2

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
International Shares	100	100

INVESTMENT STRATEGY

To invest in a diversified portfolio of international companies whose business activities seek to address current and emerging environmental issues and opportunities and make a profit from these activities.

* These are not promises or predictions of any particular rate of return

** As at 1 October 2016 (does not include any subsequent changes)

These tables cover both accumulation and pension versions of the investment option.

Each of the asset classes may include small or residual cash balances for portfolio management purposes. Strategic asset allocations are long-term targets. Actual allocations will vary from their strategic allocations, but are monitored so that they are kept within a 'tolerance range' approved by the Trustee (refer to the How we invest your money booklet available at unisuper.com.au/pdfs for details). The strategic asset allocation may change throughout your UniSuper membership. In particular the Trustee may alter the strategic asset allocation or the composition of individual asset classes from time to time to suit prevailing market circumstances. Some portion of the allocation to international investments may be hedged against currency movements. Different currencies may be hedged to different extents or possibly not at all. Negative returns may occur more or less regularly than expected. Updated strategic asset allocations and significant changes will be published on our website at unisuper.com.au/investments and in updated and later versions of *How we invest your money and Super Informed*.



Australian Equity Income

PERFORMANCE OBJECTIVES*

To achieve a gross yield which exceeds the dividend yield of the Australian equity market, and provide potential for capital growth over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2016	0.4
30 June 2015	0.3

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Shares	up to 100***	up to 100***

INVESTMENT STRATEGY

To invest in a diversified portfolio of Australian shares and up to 30% in income securities (i.e. not ordinary shares, such as debt securities) that are expected to be high yielding.



Global Companies in Asia

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses but before deducting account-based fees) that are at least 5.0% p.a. more than inflation (CPI) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Six in 20 years

SUMMARY RISK LEVEL

Very High

OPTION SIZE (\$B)

30 June 2016	0.1
30 June 2015	0.2

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
International Shares	100	100

INVESTMENT STRATEGY

To invest in a diversified portfolio of international shares that seeks to take advantage of the expected growth in consumption of emerging Asian economies by investing in well-established global brands.



Balanced (MySuper)

RETURN TARGET*

CPI +5.1% per annum over 10 years (after fees, costs and fund taxes) for a member who has a constant \$50,000 balance and who does not incur any activity-based fees.#

MINIMUM SUGGESTED INVESTMENT TIME FRAME

10 years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)**

30 June 2016	14.4
30 June 2015	13.5

STRATEGIC ASSET ALLOCATION (%)**

	2016	2015
Australian Shares	36.0	36.0
International Shares	20.0	20.0
Property	9.0	9.0
Infrastructure and Private Equity	5.0	5.0
Cash & Fixed Interest	30.0	30.0

INVESTMENT STRATEGY

To invest in a diversified portfolio, comprising mainly growth assets such as Australian and international shares, property, infrastructure and private equity, with some bond investments.

* These are not promises or predictions of any particular rate of return

** As at 1 October 2016 (does not include any subsequent changes)

*** This option predominantly invests in Australian Shares. Up to 30% of this option's assets can be invested in Australian Income securities such as credit and debt securities, hybrid and Australian high-yield credit instruments. This table covers both accumulation and pension versions of the investment option.

The return target for the Balanced (MySuper) option has been calculated in accordance with requirements that apply to MySuper. The performance objective that is published elsewhere for the Balanced option may differ to the above figure because it is calculated differently (and we have a greater degree of confidence of achieving it). Note that the investment strategies for the Balanced (MySuper) option and the Balanced option are the same. For more information visit the MySuper dashboard at www.unisuper.com.au/mysuper/mysuper-dashboard.

** Option size data includes all assets in the Balanced option, including members who are not MySuper members.

Tables—with the exception of the Balanced (MySuper) option—cover both accumulation and pension versions of the investment option.

Each of the asset classes may include small or residual cash balances for portfolio management purposes. Strategic asset allocations are long-term targets. Actual allocations will vary from their strategic allocations, but are monitored so that they are kept within a 'tolerance range' approved by the Trustee (refer to the How we invest your money booklet available at unisuper.com.au/pdfs for details). The strategic asset allocation may change throughout your UniSuper membership. In particular the Trustee may alter the strategic asset allocation or the composition of individual asset classes from time to time to suit prevailing market circumstances. Some portion of the allocation to international investments may be hedged against currency movements. Different currencies may be hedged to different extents or possibly not at all. Negative returns may occur more or less regularly than expected. Updated strategic asset allocations and significant changes will be published on our website at unisuper.com.au/investments and in updated and later versions of *How we invest your money and Super Informed*.

Defined Benefit Division (DBD)

PERFORMANCE OBJECTIVES*

To maximise the probability of generating sufficient returns to meet future commitments.

FUNDS UNDER MANAGEMENT (\$B)

30 June 2016	20.7
30 June 2015	18.5

STRATEGIC ASSET ALLOCATION

The strategic asset allocation for the DBD is undertaken using a dynamic framework. The funding level of the DBD determines the strategic allocation to high, moderate and low risk assets. As the DBD's funding level improves, a progressively greater proportion of the DBD's assets are allocated towards moderate and low risk assets. Individual assets are classified into these three risk categories depending on their return potential, as well as their volatility and potential for capital loss. Example/typical allocations are provided below:

High risk assets: Listed equities, private equity, direct property (with high gearing or development risk).

Moderate risk assets: Direct property (with low gearing), unlisted infrastructure and some listed equities meeting stringent financial and risk characteristics.

Low risk assets: Cash, government bonds and investment grade credit. Based on the DBD's current funding levels, our modelling has determined that the appropriate asset allocation is 45% in High Risk assets, 15% in Moderate Risk assets and 40% in Low Risk assets. The actual exposure for the DBD is permitted to deviate from this asset allocation within certain tolerance limits, specifically the minimum permissible exposure to Low Risk assets is currently 5% while the maximum permissible exposure to High Risk assets is currently 55%. The table below provides the actual allocation to High, Moderate and Low Risk assets as at 30 June 2016 and 30 June 2015.

ACTUAL ASSET ALLOCATION (%)**

	2016 [#]	2015
High risk assets	51.3	50.7
Moderate risk assets	35.5	13.6
Low risk assets	13.2	35.6

The DBD's actual asset allocation by underlying asset class is provided on page 13 of this report.

INVESTMENT STRATEGY

To invest in a diversified portfolio, comprising mainly growth assets such as Australian and international shares, property, infrastructure and private equity, and with some bonds investments.

* These are not promises or predictions of any particular rate of return.

** As at 30 June (does not include any subsequent changes).

Notes about this data:

- The Trustee may alter the asset allocations or the composition of individual asset classes from time to time to suit prevailing market circumstances.
- Each of the asset class proportions shown may include small or residual cash balances for portfolio management purposes.
- References in the performance objectives to 'CPI' mean the Consumer Price Index.
- Strategic allocations are long-term targets and actual allocations may deviate from target.
- Sector options may, from time to time, include a small allocation to cash for portfolio management purposes.

Who manages our assets

The market value of UniSuper's total assets as at 30 June 2016 was \$55.758 billion (it was \$49.147 billion as at 30 June 2015).

We outsource management of approximately 35.9% of these assets to external, unrelated investment managers*. All investment managers are monitored constantly and are generally reviewed in detail at least once a year. The remaining 64.1% of total assets is invested directly by the Trustee (or on its behalf, by UniSuper Management Pty Ltd) in a range of investments including shares, property, fixed interest, cash and infrastructure.

SUSTAINABLE MANAGERS

- Blackrock Asset Management Australia Limited
- State Street Bank and Trust Company
- UniSuper Management Pty Limited

AUSTRALIAN SHARE MANAGERS

- Arnhem Investment Management Pty Ltd
- Discovery Asset Management Pty Ltd
- ECP Asset Management Pty Limited
- Goldman Sachs Asset Management Pty Ltd
- Henderson Global Investors (Australia) Institutional Funds Management Ltd
- Kinetic Investment Partners Limited
- Lazard Asset Management Pacific Co
- Novaport Capital Pty Ltd
- Quest Asset Partners Pty Ltd
- Selector Funds Management Limited
- Schroder Investment Management Australia Limited
- State Street Bank and Trust Company
- UniSuper Management Pty Limited

INTERNATIONAL SHARE MANAGERS

- Acadian Asset Management LLC
- Arrowstreet Capital Limited Partnership
- Baillie Gifford Overseas Limited
- Blackrock Asset Management Australia Limited
- FIL Limited
- Janus Capital Management LLC
- MFS Institutional Advisors Inc
- Sands Capital Management LLC
- Schroder Investment Management Australia Limited
- State Street Bank and Trust Company
- T Rowe Price Global Investment Services Limited
- UniSuper Management Pty Limited

DIRECT PROPERTY MANAGERS

- AMP Select Property 2
- AMP Unlisted Property
- AMP Wholesale Office Trust
- APPF Retail
- APPF Industrial
- Goodman Australian Industrial Fund
- GPT Wholesale Office Fund
- GPT Wholesale Shopping Centre Fund
- ISPT 50 Lonsdale Street Trust
- ISPT Core Fund

LISTED PROPERTY MANAGERS

- Invesco Australia Limited
- State Street Bank and Trust Company
- UniSuper Management Pty Limited

FIXED INTEREST MANAGERS

- Colonial First State Asset Management (Australia) Limited
- Macquarie Investment Management Limited
- Morgan Stanley Investment Management (Australia) Pty Limited
- Oak Hill Advisors LP
- Oaktree Capital Management LP
- Prudential Investment Management Inc
- State Street Bank and Trust Company
- UniSuper Management Pty Limited

CASH MANAGERS

- Colonial First State Asset Management (Australia) Limited
- UniSuper Management Pty Limited

INFRASTRUCTURE

- Global Emerging Market Forestry
- Macquarie Global Infrastructure Fund 2A
- UniSuper Management Pty Limited

AUSTRALIAN PRIVATE EQUITY

- Advent Fund 5
- Archer Capital Fund 3
- Archer Capital Growth Fund 1
- Catalyst Buyout Fund 1
- Catalyst Buyout Fund 2
- First Tasmania Investments
- GBS BIO Venture Partners Fund 3
- IFM Aust Fund 2
- Industry Super Holdings (IFBT)
- Ironbridge 2003/2004 Fund
- ME Portfolio Management
- NBC Private Equity Fund 2
- NBC Private Equity Fund 3
- Quadrant Private Equity Fund 1
- Wolseley Partners Fund 2

INTERNATIONAL PRIVATE EQUITY

- Apax Europe Fund 6
- Apax Europe Fund 7
- Azure Fund 2
- Calvert Street Fund 3
- Clarus Lifesciences 1
- Clarus Lifesciences 2
- Commonwealth Capital Venture 4
- GB Deutschland Fund
- Global Emerging Markets Fund 3
- Global Emerging Market Forestry
- Hancock Park 3
- IFM International Fund 1
- Natural Gas Partners 8
- Polaris Venture Partners
- Wilshire Private Markets Asia Fund 1
- Wilshire Private Markets Asia Fund 2

When do we use derivatives?

Derivatives (e.g. options, futures and warrants) are a type of financial instrument commonly used as a risk management tool. Some investors may also use derivatives to earn extra income on their shareholdings.

The main purposes we use derivatives for are:

- using futures for equitisation of cash
- using forward contracts, futures and options to hedge our international currency exposures.

Our investment managers (including UniSuper Management Pty Ltd) are authorised to use derivatives within the guidelines set out in our *Derivative Risk Statement* which, among other things, prohibits the use of derivatives for speculative purposes. The derivatives charge ratio (i.e. the percentage of Fund assets being used as security for derivative investments) was less than 5% at all times during the reporting period.

How investment returns are applied

Investment returns can be positive or negative and are applied by calculating a specific crediting rate for each investment option, net of investment management fees and costs.

During a quarter, we calculate interim crediting rates on a daily basis, based on the information available at the time. Then, at the end of a quarter, we calculate a final crediting rate which takes into account additional information (for example, recent valuations of the assets of the investment option).

You can view an estimate of your balance in each investment option based on available crediting rates at any time via MemberOnline.

Following 30 June and 31 December each year or when you transact, your account will be updated to reflect the difference between interim and final crediting rates. The account balance provided to you in your *Benefit statement* each half-year reflects these updates. These transactions can also be viewed through MemberOnline.

If you are invested in an option at the end of the quarter and make a full or partial switch, or a partial withdrawal from the option before the final crediting rate is issued, the final crediting rate will still be applied to the balance you held to the end of the quarter.

However, if you remain invested in an investment option at the end of a quarter, and make a full withdrawal from UniSuper before final crediting rates are declared, interim crediting rates will apply to the entire balance you held in that investment option at the end of the quarter.

If you transfer funds between a UniSuper super account and a UniSuper pension account (or vice versa), the transfer will be treated as a withdrawal (even though you may choose the same investment options in the account you're transferring to).



MORE INFORMATION

If you have any questions about how crediting rates are applied to your account, call us on **1800 331 685**.

* As at 30 June 2016. Some managers may have been appointed or terminated since this date. Listings for direct property and alternative investments include pooled funds in which UniSuper has invested, which are managed externally.

Our Board

UniSuper is governed by a corporate trustee, UniSuper Limited – a not-for-profit company whose shareholders are 37 Australian universities. These universities are represented on the Consultative Committee. Rules for governance of the Fund are set out in the Trust Deed.

The Trustee acts through its Board of Directors, which is accountable to the Fund's members and participating employers. The Board determines the Fund's strategic direction and governs its operations to ensure it is administered in accordance with the Trust Deed.

When it comes to corporate governance and the Fund's conduct and principles, the Board embraces fairness, transparency and accountability.

The Board regularly reviews and updates its corporate governance framework and practices, and benchmarks against best practice recommendations set out by the Association of Superannuation Funds of Australia (ASFA) and the Australian Institute of Superannuation Trustees (AIST).

How the Board is structured

Equal numbers of Board directors are nominated by employers and members, and these directors collectively appoint three non-representative directors. A non-representative director is therefore not appointed by employers or members, but is independent and has knowledge and expertise which complements and balances the various interests on the Board.

Of the directors nominated by employers, two are nominated by Vice Chancellors of our shareholder universities and two are nominated by Consultative Committee members representing employers.

Of the directors nominated by members, two are nominated by Consultative Committee members – one by academic staff, one by non-academic staff – and two are nominated by the national unions who represent a significant number of UniSuper members.

The process of removing directors is set out in UniSuper Limited's Constitution. Under the Constitution, directors nominated by members or employers can be removed by a recommendation from the Consultative Committee or other bodies responsible for their appointment. Non-representative directors can be removed by a resolution of the directors nominated by members and employers.

The Consultative Committee

The Consultative Committee is a key forum for members and employers to participate in the Fund's ongoing development and governance. It reviews and approves changes to the Trust Deed and is responsible for nominating four directors to the Board. Half of the committee is made up of members representing our shareholder universities, and the other half represents academic staff and non-academic staff (equally) from our shareholder universities.

As at 30 June 2016, the Consultative Committee had 145 members with three vacant positions.

Independent directors



CHRISTOPHER CUFFE

BCom, FCA, FFin, FAICD
Chairman

Appointed to the Board as an independent director on 13 April 2007 and elected as Chairman on 15 June 2011.

Experience and expertise

- Fellow of the Institute of Chartered Accountants
- Fellow of Financial Services Institute of Australasia and Fellow of Australian Institute of Company Directors
- Former CEO of Colonial First State Investments Limited and Challenger Financial Services Group Limited
- Chairman of Australian Philanthropic Services (an Australian based non-profit organisation)
- Principal of Third Link Investment Managers Pty Limited
- Non-Executive Director of Global Value Fund Limited
- Non-Executive Director & Chairman of Fitzpatricks Private Wealth
- Principal of the Financial Services newsletter 'Cuffelinks'
- Chairman of Atrium Investment Management
- Non-Executive Director of Antipodes Global Investment Company Limited (appointed 30 June 2016)

Special responsibilities

- Member, Remuneration Committee
- Member, Investment Committee



MELDA DONNELLY

BCom, CA

Appointed to the Board as an independent director on 16 August 2012. Retired on 15 August 2015.

Experience and expertise (as at 15 August 2015)

- Chartered Accountant and Founder and Chairperson of the Centre for Investor Education
- Former CEO of Queensland Investment Corporation
- Former Deputy Managing Director of ANZ Funds Management
- Former Managing Director of ANZ Trustees
- Former Chair of Victorian Funds Management Corporation
- Former Chair of Plum Financial Services Pty Ltd
- Former Director of Ashmore PLC
- Director, Treasury Group Ltd
- Director, Orion Asset Management
- Director, Aurora Investment Management Pty Ltd
- Director, JA Russell & Co Sdn Bhd
- Director, BOH Plantations Sdn Bhd

Special responsibilities

- Member, Investment Committee (up to 15 August 2015)
- Member, Audit, Risk and Compliance Committee (up to 15 August 2015)



IAN MARTIN (AM)

BEC (Hons), Adv Diploma AICD

Appointed to the Board as an independent director on 18 April 2013.

Experience and expertise

- Former CEO of BT Financial Group and Global Head of Investment Management of Bankers Trust Corporation
- Former Panel Member of the Superannuation System Review (the Cooper Review)
- Vice Chairman (Asia Pacific), Berkshire Capital Securities LLC
- Chairman, Argo Investments Limited
- Chairman, Argo Global Listed Infrastructure Limited
- Chairman, Wayside Chapel Foundation

Special responsibilities

- Chair, Investment Committee
- Member, Remuneration Committee

Independent directors



NICOLETTE RUBINSZTEIN
*BBus (Hons), MBA (AGSM),
 GAICD, FIAA*

Appointed to the Board
 as an independent director
 on 1 December 2015.

Experience and expertise

- Former General Manager at CBA/Colonial First State for 14 years
- Former Vice-President and Head of Product Management at BT
- Former consulting actuary at Towers Perrin
- Former Director of Association of Superannuation Funds of Australia (ASFA)
- Winner of the inaugural FSC industry excellence award
- ASFA Distinguished Service Award for policy work
- Honorary adviser for Macquarie University
- Elected member of the Actuaries Council
- Director, SuperEd

Special responsibilities

- Member, Audit, Risk & Compliance Committee (appointed 24 February 2016)
- Member, Insurance Committee (appointed 24 February 2016)

Directors nominated by members

Nominated by the Consultative Committee



PROFESSOR LELIA GREEN
PhD MA, MEd, BA

Elected to the Board by members of the Consultative Committee representing academic staff on 4 November 2015.

Experience and expertise

- Professor of Communications at Edith Cowan University
- Member of the Consultative Committee since 2000



PROFESSOR MICHAEL SKULLY
*BSBA, MBA, Grad Dip Econ,
 SF Fin, FCPA, FAIST*

Elected to the Board by members of the Consultative Committee representing academic staff on 14 November 2006. Retired on 4 November 2015.

Experience and expertise (as at 4 November 2015)

- Professor of Banking at Monash University
- Former Director, Financial Services Institute of Australasia
- Former Director, FINSIA Education Ltd

Special responsibilities

- Member, Investment Committee (up to 4 November 2015)

Nominated by national unions



KEITH TULL

BBus (Accounting), Grad Diploma (Data Processing), CPA, DipSuper

Elected to the Board by members of the Consultative Committee representing non-academic staff on 23 November 2010.

Experience and expertise

- Employed at RMIT since 1990 formerly as both the Finance Manager and IT Manager within the School of Computer Science and Information Technology
- Currently employed as the Senior Finance Manager for the School of Science

Special responsibilities

- Member, Insurance Committee

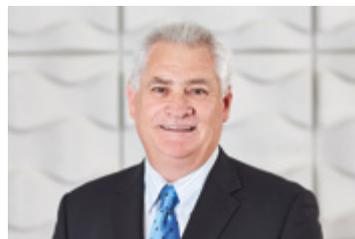


GRAHAME McCULLOCH

Appointed to the Board on 14 February 2013 by the national unions.

Experience and expertise

- General Secretary of National Tertiary Education Union
- Education International (EI) Executive Board
- Australian Council of Trade Unions (ACTU) Executive
- Director, Federation of Education Unions Pty Ltd



NEVILLE KITCHIN

FAICD, GAIST, DipSuper

Appointed to the Board on 29 August 2013 by the national unions.

Experience and expertise

- General Secretary of the Public Service Association and Branch Secretary of the Community and Public Sector Union
- Trustee of the Public Service Association Legal Services Scheme Board
- Justice of the Peace
- Member of the South Australian Government Superannuation Federation
- Representative, SA Unions Executive
- Director, Health Partners Ltd
- Director, Asbestos Diseases Society of South Australia
- Director, City Child Care Centre Incorporated

Special responsibilities

- Member, Insurance Committee
- Member, Audit, Risk and Compliance Committee

Directors nominated by employers

Nominated by Vice Chancellors



PROFESSOR PAUL JOHNSON
MA, DPhil, AcSS

Elected to the Board on
 1 January 2008 by the
 Shareholder Universities.
 Retired on 4 November 2015

Experience and expertise (as at 4 November 2015)

- Currently Vice Chancellor,
 University of Western
 Australia
- Former Vice Chancellor
 of La Trobe University
- Former Deputy-Director,
 London School of Economics
 and Lecturer/Reader/
 Professor of Economic
 History, London School
 of Economics
- Former Governor, UK
 Pension Policy Institute
- Holds MA, DPhil Oxford
 University, AcSS (Academician
 of the Social Sciences)
- Fellow of the Royal
 Historical Society
- Director, Perth USAsia Centre
- Christ Church Grammar
 School
- Director, Go8 Ltd
- Director, VenuesWest



**PROFESSOR JANE DEN
 HOLLANDER**

PhD, MSc, BSc Hons

Elected to the Board
 on 1 May 2012 by the
 Shareholder Universities.

Experience and expertise

- Currently Vice Chancellor of
 Deakin University, Victoria
- Director, Education
 Australia Limited
- Director, VERNet Pty Ltd
- Previously held positions
 include Deputy Vice
 Chancellor (Academic) at
 Curtin University, and senior
 management positions at
 the University of Western
 Australia
- Former Member of the
 Universities Australia Board
 from May 2011 to May 2016

Special responsibilities

- Member, Remuneration
 Committee (appointed 24
 February 2016)



PROFESSOR PETER DAWKINS
PhD, MSc, BSc

Elected to the Board on
 4 November 2015 by the
 Shareholder Universities.

Experience and expertise

- Vice-Chancellor and
 President of Victoria
 University
- Director, Western
 Melbourne Regional
 Development Authority
- Director, World Association
 of Cooperative Education
- Former Director, Victorian
 Education and Research
 Network
- Former Executive
 Committee member of the
 Australian Higher Education
 Industrial Association
 (AHEIA) and member of the
 Board of Business/Higher
 Education Roundtable
- Former Deputy Secretary
 of the Victorian Department
 of Treasury and Finance
- Former Secretary of the
 Victorian Department
 of Education and Early
 Childhood Development
- Former Professor Economics
 at Curtin University
- Former Ronald Henderson
 Professor and Director of
 the Melbourne Institute
 of Applied Economic and
 Social Research at the
 University of Melbourne

Special responsibilities

- Member, Investment
 Committee (appointed
 24 February 2016)

Nominated by the Consultative Committee



DR SUSAN GOULD

BSc (Hons), PhD, FAICD, GAIST (Adv)

Elected to the Board by members of the Consultative Committee representing employers on 11 November 2008.

Experience and expertise

- Former Deputy Vice Chancellor (Services) and University Secretary of the University of Newcastle
- Fellow of the Australian Institute of Company Directors
- Consultant to the Higher Education sector
- Non-Executive Director within the not-for-profit and government sectors
- Principal, Otterstone Consulting
- Key Associate, Phillips KPA
- Director, NSW Board of Nursing & Midwifery Board of Australia (ceased January 2016)

Special responsibilities

- Member, Audit, Risk & Compliance Committee
- Chair, Remuneration Committee
- Chair, Insurance Committee



STEPHEN SOMOGYI

MSc (Melbourne), SM (MIT), FAICD, FIAA, FFin

Elected to the Board by members of the Consultative Committee representing employers on 27 October 2014.

Experience and expertise

- Former Chief Operating Officer at RMIT
- Fellow of the Actuaries Institute of Australia, the Australian Institute of Company Directors and the Financial Services Institute of Australia
- Commissioner, Safety Rehabilitation and Compensation Commission
- Director, OnePath Life Limited and OnePath General Insurance Pty Limited
- Director, Guild Group Holdings Limited, Guild Trustee Services Pty Ltd, Guild Superannuation Services Ltd and Guild Insurance Limited
- Director, ANZ Lenders Mortgage Insurance Pty Limited
- Director, Spatial Vision Innovations Pty Ltd
- Director, Higher Education Services Pty Ltd
- Trustee, RMIT Foundation (ceased 2 July 2016)
- Director, RMIT Training Pty Ltd and RMIT Vietnam Holdings Pty Ltd (ceased 2 July 2016)

Special responsibilities

- Chair, Audit, Risk & Compliance Committee (from 1 January 2015)

Changes to the Board

The following changes occurred to the Board in 2015-16:

- Michael Skully resigned on 4 November 2015 and was replaced on the same day by Lelia Green who was elected to the Board by academic staff representatives of the Consultative Committee. Paul Johnson also resigned on 4 November 2015 and was replaced by Peter Dawkins, who was nominated by the universities. Melda Donnelly retired on 15 August 2015 and Nicolette Rubinsztein was appointed as an independent director on 1 December 2015.

The Board Committees

The Board Committees as at 30 June 2016 are:

AUDIT, RISK & COMPLIANCE COMMITTEE

The Audit, Risk & Compliance Committee is responsible for:

- financial reporting
- monitoring the effectiveness of the Risk Management Framework and making recommendations in respect of risk management policy and practice
- ensuring appropriate assurance arrangements are in place including overseeing the performance and independence of the internal and external audit functions
- monitoring the adequacy and effectiveness of the compliance and internal controls frameworks to support compliance of the Fund with all applicable laws and regulations
- corporate governance
- adequacy of the Trustee's insurance program

Members:

- Stephen Somogyi (Chair)
- Susan Gould
- Melda Donnelly (Retired on 15 August 2015)
- Nicolette Rubinsztein (from 24 February 2016)
- Neville Kitchin

The committee is assisted by two independent consultants:

- Michelle Somerville
- Peggy O'Neal

The CEO also attends meetings of this Committee.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for:

- reviewing the effectiveness of the remuneration framework and remuneration policy
- assessing the compliance of remuneration arrangements with Australian Prudential regulation Authority (APRA) Prudential Standard SPS 510: Governance,

- making annual recommendations to the Board in respect of remuneration of:
 - responsible Persons and other persons whose activities may, in the Committee's opinion, affect the financial soundness of UniSuper's operations
 - any category of person covered by the USL Remuneration Policy.

Members:

- Susan Gould (Chair)
- Christopher Cuffe
- Ian Martin AM
- Jane den Hollander

The CEO attends all meetings of the Remuneration Committee, except when the CEO's own remuneration package is being discussed.

INSURANCE COMMITTEE

The Insurance Committee is responsible for:

- facilitating the timely determination of claims made under the Fund's inbuilt benefit provisions and insurance cover
- implementing and reviewing the Insurance Framework and Strategy
- monitoring and overseeing the Insurance Management Committee
- monitoring the performance of the external insurer
- monitoring the services and functions outsourced to the Administrator.

The Insurance Committee has the authority to:

- consider and determine declined claims made under the Fund's inbuilt benefit provisions
- approve the appointment or termination of the Fund's Chief Medical Officer.

Members:

- Susan Gould (Chair)
- Keith Tull
- Neville Kitchin
- Nicolette Rubinsztein (from 24 February 2016)
- Kevin O'Sullivan (CEO UniSuper, Ex-Officio).

INVESTMENT COMMITTEE

The Investment Committee is responsible for:

- investing funds in a manner consistent with the investment objectives set by the Board
- other investment matters, including:
 - investment policy
 - making investment strategy recommendations to the Board
 - monitoring asset allocations
 - monitoring investment performance.

Members:

- Ian Martin AM (Chair)
- Melda Donnelly (Retired on 15 August 2015)
- Peter Dawkins (appointed 24 February 2016)
- Christopher Cuffe
- Charles Macek (Independent consultant)
- Anthony FitzGerald (Independent consultant)
- Kevin O'Sullivan (CEO UniSuper, Ex-Officio).

Administration and financials

How UniSuper is administered

UniSuper is managed by a corporate Trustee, UniSuper Limited, which has delegated the day-to-day administration of the Fund to a wholly-owned company, UniSuper Management Pty Ltd (USM). The executive management of USM reports to the Boards of UniSuper Limited and USM.

USM operates in line with a set of strict performance objectives, against which the Board of UniSuper Limited regularly monitors its performance.

The Trustee has taken out professional indemnity insurance.

When we can't find you

TRANSFER TO AUSFUND

UniSuper has nominated an eligible rollover fund to receive members' benefits in certain circumstances. If your account balance is less than \$500 and we do not receive contributions from you or on your behalf for three years, and you have not provided us with instructions about what to do with your benefit, or if you do not respond to our letters, we may transfer it to:

AUSfund

PO Box 543

Carlton South VIC 3053

email: admin@ausfund.net.au

website: www.unclaimedsuper.com.au

phone: 1300 361 798

AUSfund may have a different fee structure and investment and crediting rate policy from UniSuper and it does not offer insurance cover. AUSfund will invest your benefit in a single diversified investment strategy with a view to achieving competitive returns at a moderate level of risk. Member investment choice is not available in AUSfund. You should evaluate whether AUSfund is a suitable long-term investment for your super. If your benefit is transferred to AUSfund, you will no longer be a UniSuper member and any optional insurance cover with UniSuper will cease. You will need to contact AUSfund directly regarding your benefit. You should refer to the AUSfund PDS for information on circumstances in which fees may apply.

LOST MEMBERS' REGISTER

You become a lost member in the following circumstances:

- we have not received a contribution or rollover from you in the past 12 months and two pieces of mail are sent to your last known address and are returned to us as unclaimed or if we have never had an address for you
- you have been a member for more than two years and we have not received any contributions or rollovers within the last five years.

In these circumstances, we may be required to register your details with the Australian Taxation Office (ATO) Lost Members' register. For more details, please visit the ATO website at www.ato.gov.au.

UNCLAIMED MONEY

If amounts payable to you become 'unclaimed money' (as defined in superannuation legislation), your account will be transferred to the ATO and held on your behalf until you claim it.

Your account will be categorised as 'unclaimed money' if:

1. a. you have reached age 65, and
 - b. UniSuper has not received any contributions or rollovers for at least two years, and
 - c. after a period of five years since UniSuper last contacted you, UniSuper has been unable to contact you again after making reasonable efforts, or
2. you are a former temporary resident and at least six months have passed since you departed Australia or your visa has expired or was cancelled and UniSuper has received notice from the ATO requiring us to transfer your account balance, or
3. you meet the definition of a lost member, your account does not include a Defined Benefit component and your account balance is less than \$4,000 and we have not received any contributions or rollovers for the last 12 months and we have insufficient information available to us to identify you.

If your account is transferred to the ATO, you'll need to contact the ATO directly to claim your benefit. To check whether you have any unclaimed or lost super, refer to the ATO's website at www.ato.gov.au.

Please note that if you're a DBD member, your accumulation component will not be transferred to the ATO in these circumstances.

CLAIMING YOUR SUPER BENEFIT IF YOU'RE A TEMPORARY RESIDENT

A temporary resident whose visa period has ended can generally claim their UniSuper benefit as a lump sum once they've left Australia. If a temporary resident doesn't claim their super when they leave Australia, UniSuper will generally be required to transfer the balance of their super account to the Australian Taxation Office (ATO) as an unclaimed benefit after a period of six months from the date the visa ceased to be in effect or they left Australia (whichever occurs later).

If this happens to you, you can claim super benefits directly from the ATO. Please contact the ATO for further details (www.ato.gov.au).

If a temporary resident's benefit is transferred to the ATO, UniSuper relies on ASIC relief to the effect that UniSuper is not obliged to notify or provide the non-resident with an exit statement.

However, the non-resident can contact UniSuper to receive information about the transfer that will enable them to apply to the ATO to claim their benefit. For more information, refer to the Departing Australia Superannuation Payment (DASP) factsheet, which is available at unisuper.com.au or by calling us on **1800 331 685**.

Superannuation surcharge

The Government's superannuation surcharge was abolished on 1 July 2005. However, surcharge deductions for prior years may still appear on your latest benefit statement as a deduction from your account.

If we received a surcharge assessment from the ATO in relation to your super, we will have paid the assessment and there will be a deduction or adjustment made to your account to reflect this. Full details of any surcharge deductions if applicable are shown on your statement.

Service providers we use

The Trustee draws on the services and expertise of a number of professional service providers and organisations.

During the financial year, our main service providers were:

- Actuary: Kate Maartensz FIAA, Russell Employee Benefits Pty Ltd
- Chief Medical Consultant: Dr Doron Samuells
- Tax Consultant: KPMG
- Auditor: Ernst & Young (external), PricewaterhouseCoopers (internal)
- Bankers: Commonwealth Bank of Australia
- Insurance underwriter: TAL Life Limited (TAL)
- Investment Master Custodian: BNP Paribas Securities Services

UniSuper's reserves

UniSuper holds amounts in reserve for specific items. The reserves include:

- an administration reserve to help manage the operation of the Fund
- an external insurance reserve used to fund improvements in the external insurance offering
- a self-insurance reserve for the death and disablement benefits provided by UniSuper to Accumulation 2 members. The insurance products covered by this reserve were outsourced to an external insurer from 3 January 2015, so the reserve is now in 'run-off' mode
- an operational risk reserve to cover losses, costs and expenses that may be incurred in the event of an operational risk. On 30 June 2016, the reserve balance met the Fund's Operational Risk Financial Requirement of 0.25% of funds under management.

All of the reserves, except for the administration reserve, are invested in a diversified portfolio with an asset allocation that mirrors that of UniSuper's DBD. The assets backing the administration reserve include an investment in the Fund's administrator, USM.

The total of the reserves as at 30 June for the past three years was \$124 million in 2014, \$180 million in 2015, and \$244 million in 2016.

Complaints handling

We hope you don't have any complaints about your super or pension, but if you do please contact us.

While the Trustee has 90 days to respond to your complaint, we'll do our best to provide you with a detailed explanation and a resolution of your issue(s) as soon as possible.

To make a complaint, contact us on **1800 331 685** or write to:

Attention: Member Care Manager

UniSuper
Level 1, 385 Bourke St
Melbourne VIC 3000
Email: complaints.team@unisuper.com.au

If you're not satisfied with our handling of your complaint or the decision we've made in relation to your complaint, you may contact the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Government to assist in the resolution of certain complaints in relation to super.

Before the SCT can accept a complaint, the complaint must go through the Trustee's internal dispute resolution process. If the SCT accepts your complaint, it will try to resolve the matter through conciliation. If this is unsuccessful, it will make a determination, which is binding on the Trustee.

If your complaint relates to a disablement claim or death benefit, then time limits apply in which to make a complaint. You can contact the SCT on 1300 884 114 or write to:

Superannuation Complaints Tribunal

Locked Bag 3060
Melbourne VIC 3001
Website: www.sct.gov.au

The SCT cannot consider complaints relating to the general management of the Fund.



MORE INFORMATION

For more information on how to make a complaint, refer to our website unisuper.com.au/about-us/contact-us/how-do-i-make-a-complaint.

UniSuper's financials

UniSuper's abridged financial statements are set out below. You can request the Fund's audited accounts and the auditor's report by calling us on **1800 331 685**.

UNISUPER'S STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2016	2016 \$M	2015 \$M
Net assets available to pay benefits at the beginning of the financial year	49,160	42,731
INVESTMENT REVENUE		
Interest	443	419
Dividends and distributions	1,636	1,421
Rental income	76	97
Movement in net market value of assets	1,977	3,488
Less: Direct investment expense	(173)	(158)
	3,959	5,267
CONTRIBUTIONS		
Employer contributions	2,669	2,497
Member contributions	772	789
Rollovers/Transfers in	753	641
	4,194	3,927
Total revenue	8,153	9,194
Less:		
EXPENDITURE		
Benefits paid	2,080	2,083
Administration expenses	80	69
Group life insurance	43	33
Total expenditure	2,203	2,185
Net change for the year before income tax	5,950	7,009
INCOME TAX EXPENSE		
Contributions	408	378
Investments and other tax	46	202
	454	580
Net change for the year after income tax	5,496	6,429
Net assets available to pay benefits at the end of the financial year	54,656	49,160

UNISUPER'S STATEMENT OF NET ASSETS AS AT 30 JUNE 2015		2016	2015
		\$M	\$M
ASSETS			
Cash and cash equivalents		118	166
RECEIVABLES			
Contributions receivable		–	25
Sundry debtors and prepayments		1	1
		1	26
INVESTMENTS – FINANCIAL ASSETS			
Equities	– Local	26,020	23,298
	– Overseas	10,107	9,843
Interest bearing securities	– Local	8,367	7,405
	– Overseas	2,003	1,837
Others, including short term deposits		3,610	2,728
Derivative assets		112	75
		50,219	45,186
NON-FINANCIAL ASSETS			
Property investments		2,812	2,456
Infrastructure investments		2,689	2,375
		5,501	4,831
Total assets		55,839	50,209
Less:			
LIABILITIES			
Benefits payable		1	1
Sundry creditors		30	41
Derivative liabilities		155	100
Income tax payable		48	61
Deferred tax liabilities		949	846
Total liabilities		1,183	1,049
Net assets available to pay benefits at the end of the financial year		54,656	49,160
COMPRISING:			
Reserves		244	180
Member accounts		54,412	48,980
Total equity		54,656	49,160

CONTACT US

HELPLINE

1800 331 685

+61 8831 7901 (overseas members)

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FAX

1300 224 037

+61 3 8831 6141

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Australia

