

# FIDUCIAN SUPERANNUATION SERVICE

Registration Number: R1004298

## Annual Report 2021



**FIDUCIAN**  
INTEGRITY • TRUST • EXPERTISE

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In this Report:

**Trust Deed** means the Fiducian Superannuation Service Trust Deed adopted on 23 September 2011.

**We, us** and **our**, means Fiducian Portfolio Services Limited ABN 13 073 845 931 the Trustee of the Fiducian Superannuation Service.

**You** and **your** is a reference to a member of Fiducian Superannuation Service.

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# FROM THE TRUSTEE

Dear Member,

On behalf of the Trustee Directors of the Fiducian Superannuation Service (the Fund), we are pleased to present the Fund's Annual Report for the year ended 30 June 2021.

This Report provides you with information about the following key aspects of the Fund:

- Investment Options and Performance
- Economic Outlook
- Superannuation News
- Regulatory and Compliance Update

The Trustee aims to ensure that there is a wide range of investments available to our members to develop, in conjunction with their financial planner, a diversified investment portfolio to suit your individual financial circumstances.

On the investment front, markets have re-bounded strongly during the year following the challenging short term conditions in the year to 30 June 2020.

The results to 30 June 2021 of two of the largest Fund investments are set out below:

		Fiducian Growth Fund	Fiducian Balanced Fund
1 year to 30 June 2021	Return	25.6% p.a.	21.8% p.a.
	Ranking*	6 out of 185	38 out of 185
3 years to 30 June 2021	Return	10.1% p.a.	9.3% p.a.
	Ranking*	2 out of 173	13 out of 173
5 years to 30 June 2021	Return	11.0% p.a.	9.9% p.a.
	Ranking*	1 out of 167	7 out of 167

\* Morningstar

While past performance in investment markets is no guarantee of future success, we believe that these results are testimony to the strength of the investment process at Fiducian.

## Effect of COVID-19

The widespread effects of COVID-19 brought unique challenges to superannuation funds this year in areas related to the impact of COVID-19 on member service and administration functions.

I am also pleased to report that, in partnership with our trusted service providers, all member servicing and administration functions (including the processing of the second round of early benefit releases) continued seamlessly through this difficult time.

The Trustee Directors also invite you to visit our website which has been developed in a clear and accessible style, to review full details of the Trustee Board, corporate structure and Fund benefits. The Fund website details can be viewed at <https://www.fiducian.com.au/superannuation/>.

We also invite you to join us at our Annual Member's Meeting which will be held in December 2021. Full details will be sent to you prior to the Meeting.

As always, we remain fully committed to providing you, our members, with a Fund that enables you to achieve your retirement goals. We thank you for your continued support.

Kind regards



Drew Vaughan  
Chairman  
Fiducian Portfolio Services Limited –  
Trustee of the Fiducian Superannuation Service



# ECONOMIC OVERVIEW

## GLOBAL ECONOMY

The global economy has been recovering this year from last year's recession, with the strength of rebound varying between regions. Last year, according to the International Monetary Fund (IMF), the world economy contracted by 3.1%, with the recession being the most severe since the Second World War. In its latest report (October), the IMF is forecasting real (inflation adjusted) global growth to be nearly 6% this year and then 5% in 2022. The advanced economies as a group are forecast to grow by over 5% this year and 4.5% next year, with US growth expected to be 6% in 2021 and 5% in 2022. Growth in the Euro zone (5% this year and 4.3% in 2022) and in Japan (2.4% and 3.2%) is expected to be less robust. Most of the developing world is also growing once again, with China forecast to expand by 8% this year and 5.6% in 2022 and India expected to grow even more rapidly, with growth rates of 9.5% and 8.5% over this period.

This general forecast of solid ongoing global recovery though is predicated on the effectiveness of vaccination programs to counter the COVID-19 coronavirus pandemic that originated in China and spread around the world from early last year. So far, these programs have been the key to a significant drop in hospitalisation and death rates in most developed countries, leading to at least the partial lifting of government-imposed 'lockdowns' and the resumption of economic activity. Nevertheless, throughout the developing world in particular, vaccination rates remain low, with the IMF noting that 'about 96 percent of the population in low-income countries remain unvaccinated'. As the IMF puts it, in contrast to the developed world, 'aggregate output for the developing economy group of countries (excluding China) is expected to remain 5.5 percent below the pre-pandemic forecast in 2024', so that a 'dangerous divergence in economic prospects across countries remains a major concern'.

In the case of the US, where for some time prior to the pandemic's emergence, growth had been stronger than in most other advanced economies, last year's recession was somewhat less severe than in most of Europe, with a contraction of 3.4% over the 2020 calendar year, compared with a contraction of 6.3% for the whole Euro zone. Recovery began in the September quarter of last year and has continued into this year. Annualised growth for the US economy this year was 6.3% in the March quarter, 6.7% in the June quarter and then a slower 2.0% in the September quarter. Household spending growth slowed considerably in the September quarter, at least partly due to the rapid spread of a new variant of the virus, known as the 'delta' variant, which has spread around the world this year, after originating in India. As the IMF notes, 'rapid spread of Delta and the threat of new variants have increased uncertainty about how quickly the pandemic can be overcome'.

The US economy though also faces the risk that the new Biden administration appears intent on reversing much of the pro-growth policy initiatives of the previous Trump administration, including what was an historically large cut in the federal corporate tax rate (from 35% to 20%), increased deductibility of private investment, a significant reduction in government regulation and personal income tax cuts (along with tariffs on Chinese imports) that together had helped to lift manufacturing and underpin strong growth in corporate earnings and a rise in confidence for both businesses and individuals. Since the pandemic though the US has been buoyed by almost unprecedented levels of stimulus from governments (federal, state and local) and from its central bank (the 'Fed').

Huge amounts have been granted or lent to businesses and individuals, the 'Fed' has taken interest rates close to 0% and a huge program of 'quantitative easing' ('QE', or the injection of liquidity into the financial system) has been implemented to underpin economic activity.

In Europe, similar stimulus measures were put in place last year to combat the effect of 'lockdowns' imposed in response to the pandemic. These largely remain in place and include highly supportive monetary and fiscal policy measures to sustain businesses and employment. Official interest rates were dropped to historic lows and were even taken below 0% in some cases and 'QE' remains huge, all to encourage investment and sustain economic activity. In Asia, recession also took hold in the first half of 2020 but some recovery has been underway since the middle of last year, despite the spread of the virus. China actually grew over the course of 2020 and has continued to grow at a solid pace since then. India too, despite being severely affected by the pandemic this year, is forecast to enjoy very strong growth over the coming year. Japan though has been a laggard and is still being affected by persistent deflation, with consumer prices up only 0.2% over the year to 30 September.

## AUSTRALIAN ECONOMY

The Australian economy, along with most of the rest of the world, was hit hard last year by measures taken to counter the spread of the coronavirus pandemic. With the virus beginning to spread through the country from March 2020, lockdowns began to be implemented and the economy began to suffer. The worst period was the June quarter, which saw the economy fall into a full-blown recession for the first time in three decades. This year has been better and over the full 2020-21 financial year, the economy expanded by 9.6% (and by 9.4% on a per capita basis), although this was from last year's recessionary low base. The September quarter this year (and part of the December quarter) saw much of the country back in 'lockdown', due to the emergence of the 'delta' virus variant.

Nevertheless, the Governor of the Reserve Bank (RBA), Philip Lowe, stated on 2 November that 'the economy is expected to bounce back relatively quickly', with GDP growth forecast to be 3% over the whole of 2021 and 5.5% for 2022, with an 'important source of uncertainty being the possibility of a further setback on the health front'. In other words, with the economy once again opening up, the RBA is expecting a strong recovery over the coming year, underpinned by historically low interest rates, despite an imminent winding back of 'QE' and government fiscal support programs. RBA actions included dropping official short-term interest rates to a record low of 0.1% from 3 November 2020, along with large-scale 'QE', all with the aim of 'lowering financing costs for borrowers, contributing to a lower exchange rate than otherwise and supporting asset prices'. Despite a recent rise in the headline inflation rate, the RBA is not overly concerned, noting that 'in underlying terms it is still low, at 2.1 per cent'.

The RBA will also 'continue to purchase government securities (a form of 'QE') at the rate of \$4 billion a week until at least mid-February 2022' and 'will not increase the cash rate until actual inflation is sustainably within the 2 to 3 per cent target range', which 'is likely to take some time'. Such central bank stimulus for at least the near-term could be expected to underpin both equity and property markets at least well into next year, although corporate profit growth is forecast to flatten out in 2022 after growing by a solid 15% in 2021 (Yardeni Research).

# FINANCIAL MARKETS OVERVIEW

## AUSTRALIAN SHARES

The 2020-21 financial year saw the Australian share market enjoy a recovery phase that actually began in late March 2020. This was after what had been a precipitous drop by markets around the world in reaction to lockdown measures taken to counter the initial spread of the coronavirus pandemic. In response to the virus there was a more-or-less co-ordinated move by the world's major central banks to inject unprecedentedly large amounts of money into the world's financial system, while governments also began to implement massive fiscal support programs.

After falling by a record 37% (ASX200 accumulation index) in four weeks, the market then began a rapid turnaround in response to these support measures. Over the second half of 2020, the market rose by 13% to be up 1.4% over the 2020 calendar year. The market then rose another 13% over the first half of 2021, to be up 28% over the full 2020-21 financial year. By early November 2021, the market had risen another 4%. Over the full financial year, the key Industrials and Resources sectors matched the broader index (up 27% and 29% respectively). The Financials sector was stronger still (up 41%), with the major banks leading the upturn, while Technology (up 40%) also continued its upwards momentum. By 4 November, the overall share market still appeared reasonably priced compared with other investment opportunities, with an estimated price-to-earnings ratio (PER) of 17 times forward earnings (above its long-term average) (Yardeni Research).

## INTERNATIONAL SHARES

International share markets mostly rose strongly over the 2020-21 financial year. This upwards movement was a response to the massive monetary and fiscal support measures put in place soon after the emergence of the pandemic early last year. After taking fright from late February 2020, investors had begun to return to most major share markets by late March 2020 in response to huge combined fiscal and monetary stimulus programs being put in place and investor confidence has been sustained since then. Over the full year to 30 June 2021, market movements included the broad US market (S&P500) up 39% and the technology-laden US Nasdaq index up 44%, while European markets were also positive, despite having to endure a more severe recession across the region. The UK market was up 14% over the year, France 32% and Germany 26%. Key Asian markets ranged from Japan up 29% to China up 20% and India up an impressive 50%.

The September quarter this year though was much flatter, with the broad US market up 0.2%, while the UK market was up only 1% and the German market was down 2%. The Japanese market rose 2%, China fell 1% and India was again the outperformer, rising 13%. With major central banks expected to continue to hold interest rates at historically low levels through next year at least and with government stimulus programs being wound down only slowly, the outlook remains broadly positive. A supporting factor is that earnings growth is forecast to remain relatively solid next year in most jurisdictions. In terms of valuations, by 30 September, the price-to-earnings ratio (PER) for the major world markets as a whole (represented by the MSCI World index) was under 19 times estimated forward earnings, above its longer-term average. In general terms most major share markets were still looking better value than most other investment opportunities, such as bonds and cash.

## PROPERTY

The domestic listed property sector out-performed the overall domestic share market over the 2020-21 financial year (up 33% against a rise of 28% for the broader market), after lagging the broader market during the previous year. This rebound was despite the sector being hit hard by lockdowns imposed over the past 18 months, especially in the two largest states of New South Wales and Victoria, to prevent the spread of the coronavirus pandemic, with both office buildings and retail shopping centres severely affected.

This recovery in the sector has continued since the end of the financial year, so that by early November, the sector was up another 10% (against 4% for the broader market). The sector's prospects depend on further opening of the economy and have been improving along with rapidly rising vaccination rates. Looking ahead to a more positive economic environment, the prospective earnings yield for the sector looks relatively attractive, despite some stocks trading at what appear to be premiums to book value. By 31 October, the sector's PER was around 18 times forward earnings and it offered an earnings yield (2022-23 earnings) of around 5.5%.

## AUSTRALIAN BONDS

For the year ended 30 June 2021, Australian bonds (Bloomberg Composite Bond All Maturities index) performed poorly, returning -0.8%, which was below recent annual returns for the sector of 4.2% for 2019-20 and 9.6% for 2018-19. The sector's return was also well below the 28% index return experienced by investors in the domestic share market and a little below the index return provided by international bonds over the same period. The sector has struggled over the past year due to a drop to historic lows in the general level of interest rates due firstly to recession taking hold last year in the domestic economy and then the RBA targeting historically low official interest rates in response. Due to the likely need for the RBA (along with other major central banks) to continue to implement highly expansionary monetary policy at least for the coming year, it could be some time before interest rates resume an upwards trend.

Internationally, most major central banks (including the US 'Fed', the European Central Bank and the Bank of Japan) are likely to continue to target low bond yields for at least the next year and certainly until activity has rebounded, employment levels have picked up, wages have begun to rise more strongly and inflation has gone above target levels for an extended period. Given that yields have now fallen to historic lows, the domestic bond market continues to appear expensive relative to historical norms and relative to other investment options, including share markets.

## INTERNATIONAL BONDS

International bonds as a sector performed poorly over the 2020-21 financial year, returning -0.2% (Barclays Capital Global Aggregate index, hedged to the \$A), well below that of the previous year (5.2%) and the year before that (7.2%). The return for the year was also well below that of the global shares index (MSCI World ex-Australia) in \$A terms and that of the domestic share index (each up 28%). While the sector performed well as a defensive buffer while investors were moving out of more volatile share markets due to the onset of the pandemic earlier last year, overall, the sector now appears expensive relative to most major share markets.

As the outlook for the global economy improves, there is potential for central banks to begin to tighten monetary policy by late next year, if not earlier, which could cause bond yields to begin to trend upwards. While there has been a clear determination on the part of central banks to hold both short and longer-term bond yields at historically low levels for a considerable period of time, as this strategy begins to shift, any rise in the trajectory for bond yields could imply continuing low returns for the sector for an extended period.

# SUPERANNUATION UPDATE FOR 2020/2021

## FROM 1 JULY 2021

### STAPLED SUPER FUNDS

From July 1, 2021, an employee's super fund contributed to by their previous employer (if it is still active) is proposed to be the default fund into which a new employer would contribute. This would prevent employees receiving a new default fund every time they join a new employer.

This process would be managed through the employer engaging with the ATO. If an employee does not have an existing chosen super account (for example, if it is their first job), the employer would still need to use a default MySuper fund.

This proposal follows up on a recommendation by the Productivity Commission.

### YOURSUPER

From July 1, 2021, a new online tool, YourSuper, is proposed to be created that will allow clients to compare the fees and performance of MySuper products. The tool will link clients to websites where they can apply for new MySuper accounts and will also prompt them to consolidate their super if they have multiple funds.

### ANNUAL BENCHMARKING OF SUPER FUNDS

From July 1, 2021, all MySuper funds are to be benchmarked by APRA. Funds that are deemed to be underperforming will need to inform their members of this outcome. Funds that are considered to have underperformed for two consecutive years will be closed to new members until their performance improves.

This benchmarking is proposed to be extended to other super products (presumably Choice funds), by July 1, 2022.

This proposal follows up on a recommendation by the Productivity Commission.

## INCLUDED IN THE 21/22 BUDGET

The 2021-22 Budget is giving older Australians, including self-funded retirees, greater flexibility to contribute to their superannuation and access their housing wealth if they choose to by:

- Repealing the work test for voluntary non-concessional and salary sacrificed superannuation contributions for those aged 67 to 74
- Improving the Pension Loans Scheme
- Extending access to downsizer contributions
- Giving older Australians the choice to move out of legacy retirement products.

### WORK TEST REMOVAL FOR PEOPLE AGED 67 TO 74 (INCLUSIVE) AND CHANGES TO NON-CONCESSIONAL BRING-FORWARD. EFFECTIVE DATE: JULY 1, 2022

Without satisfying any work test, those aged under 75 will be able to:

- Make and receive personal non-concessional contributions including – if eligible – **using the three year bring forward rule.**
- Make salary sacrifice contributions.

Clients aged 67 to 74 (inclusive) who wish to make **personal tax-deductible contributions** will still need to satisfy the work test (or work test exemption).

The contribution caps and total superannuation balance (TSB) restrictions for the bring-forward will remain in place.

### FIRST HOME SUPER SAVER (FHSS) SCHEME. EFFECTIVE DATE: JULY 1, 2022

Under the First Home Super Saver scheme, first-home buyers have been able to make voluntary contributions to super that can ultimately be withdrawn, along with associated earnings, to purchase their first home. The ability to withdraw commenced on July 1, 2018.

Changes to the FHSS scheme announced in the Budget increase the maximum amount of eligible contributions that can be released from \$30,000 to \$50,000.

If passed, this change will apply to requests made on or after July 1, 2022, for the ATO to make a FHSS determination.

The Government also announced technical changes to the scheme (backdated to July 1, 2018), aimed at allowing greater flexibility. These changes concern ATO discretion to amend applications, return released money to the super fund and allowing applicants to withdraw or amend applications prior to receiving a FHSS amount.

### DOWNSIZER SUPERANNUATION CONTRIBUTIONS. EFFECTIVE DATE: JULY 1, 2022.

Currently, clients aged 65 and older can contribute proceeds from the sale of their home to super. A client can contribute up to \$300,000 regardless of their age, work status or total superannuation balance. It is not considered a concessional or non-concessional contribution, rather it is its own class of contribution, a downsizer contribution.

The eligibility age for making a superannuation downsizer contribution will be reduced to age 60. All other eligibility requirements will remain the same.

### ABOLISHING THE \$450 PER MONTH MINIMUM FOR SUPERANNUATION GUARANTEE (SG).

The current \$450 per month minimum income threshold before SG contributions become payable will be removed.

## TEMPORARY LEGACY RETIREMENT PRODUCT CONVERSIONS.

Clients who have a market linked income stream, complying life-expectancy, or complying lifetime pension commenced prior to September 20, 2007 will have a limited two-year opportunity to convert their product (including reserves) into accumulation phase. Following this conversion, they may then commence an account based pension (depending on their transfer balance cap), retain in accumulation phase or withdraw the money from the superannuation environment as a lump sum.

The measure does not include flexi-pensions or lifetime products held with APRA regulated funds. Nor does it apply to public defined benefit schemes.

Any commuted reserve amounts will not be counted towards the person's concessional contributions cap but will be taxed as an assessable contribution to the fund.

The existing social security treatment of the legacy product will not carry across to the new product commenced (i.e. 100% or 50% asset test exemption). However, there won't be any impact on previous social security entitlements received.

## RELAXING RESIDENCY REQUIREMENTS FOR SELF-MANAGED SUPER FUNDS AND SMALL APRA FUNDS

The residency requirements for self-managed super funds and small APRA funds will be simplified to allow clients to continue contributing to their fund whilst they are temporarily overseas. This will be achieved by increasing the safe harbour for the central management and control test from two to five years and abolishing the active member test.

## BILL INTRODUCED TO PARLIAMENT FOR KEY BUDGET 2021/22 SUPER PROPOSALS

The Government has introduced a Bill to parliament that partly implement some of the super proposals announced in the 2021/22 Federal Budget. These include removing the work test for certain voluntary super contributions for people aged 67 to 75, extending the bring-forward rule age cut-out, removing the \$450 Superannuation Guarantee exemption threshold, increasing the maximum releasable amount under the First Home Super Saver scheme and reducing the age at which a downsizer contribution can be made.

If legislated, the above measures are proposed to commence on July 1, 2022. The Bill includes the following measures proposed in the 2021/22 Federal Budget:

- Work test reforms for superannuation contributions
- Extension of the non-concessional contribution bring forward
- Removing the \$450 threshold for Superannuation Guarantee (SG) contributions
- Increase to maximum First Home Super Saver (FHSS) release amount
- Downsizer contribution eligibility age to reduce to 60



# INVESTMENTS AND INVESTMENT RETURNS

As at 30 June 2021, the following investments have a value in excess of 5% of the total assets of the Fund:

Funds	% of Fund
Fiducian Aust. Smaller Co Shares Fund	5.5%
Fiducian Australian Shares Fund	8.5%
Fiducian Balanced Fund	19.7%
Fiducian Capital Safe Fund	4.4%
Fiducian Capital Stable Fund	13.9%
Fiducian Growth Fund	8.4%
Fiducian Ultra Growth Fund	11.6%
Fiducian International Shares Fund	9.1%

## FIDUCIAN FUNDS INVESTMENT RETURNS

Fiducian Funds were first offered on 16 January 1997.

Fiducian Funds	Year to 30/06/17	Year to 30/06/18	Year to 30/06/19	Year to 30/06/20	Year to 30/06/21	Compound Return p.a.
Fiducian Capital Safe Fund	2.0%	1.7%	1.8%	0.8%	0.2%	1.3%
Fiducian Capital Stable Fund	4.7%	6.0%	6.0%	1.5%	9.5%	5.5%
Fiducian Balanced Fund	9.9%	11.6%	7.3%	-0.2%	21.8%	9.9%
Fiducian Growth Fund	11.3%	13.2%	7.5%	-1.1%	25.6%	11.0%
Fiducian Australian Shares Fund	15.0%	15.8%	4.9%	-5.8%	30.5%	11.4%
Fiducian Aust. Smaller Co Shares Fund	5.3%	18.1%	1.3%	0.7%	42.6%	12.6%
Fiducian International Shares Fund	17.6%	15.1%	8.5%	10.8%	29.6%	16.1%
Fiducian Geared Australian Shares Fund	21.2%	20.1%	12.0%	-27.4%	56.7%	13.2%
Fiducian Global Smaller Company & Emerging Markets Fund <sup>1</sup>	17.4%	11.6%	1.8%	-5.7%	37.9%	11.6%
Fiducian India Fund <sup>1</sup>	23.8%	1.9%	5.1%	-20.8%	57.5%	10.6%
Fiducian Property Securities Fund	-2.2%	12.9%	17.6%	-19.4%	34.5%	7.1%
Fiducian Technology Fund <sup>1</sup>	32.4%	18.5%	12.2%	30.7%	31.7%	24.8%
Fiducian Ultra Growth Fund <sup>1</sup>	10.9%	14.9%	3.7%	-1.7%	38.4%	12.4%
Fiducian Diversified Social Aspirations Fund <sup>1</sup>	10.9%	12.0%	9.7%	-4.1%	20.8%	9.6%

<sup>1</sup> Fund was not offered in 1997 but has been available for over 5 years.

## FIDUCIAN PERSONAL MANAGED SHARE PORTFOLIOS

The returns in the following table are notional and are based on the assumptions of portfolios with equal weighting to each share at the commencement of the portfolio and after every stock change. The actual returns for an individual portfolio will differ depending on when the member invested.

Personal Managed Share Portfolios	Year to 30/06/17	Year to 30/06/18	Year to 30/06/19	Year to 30/06/20	Year to 30/06/21	Compound Return p.a.
Imputation Portfolio	12.1%	8.4%	3.7%	-15.8%	27.7%	6.3%
Emerging Leaders Portfolio	35.8%	31.7%	-12.0%	-11.6%	35.4%	13.5%
Growth Portfolio	25.2%	24.6%	12.5%	14.1%	34.3%	21.9%
Property Securities Portfolio	-1.8%	11.7%	13.0%	-21.1%	33.5%	5.5%

Notes to tables on pages 8-9:

1. The returns shown are net earnings i.e. after deduction of investment management fees. The returns are also before income tax.

2. The value of Members' Accounts will vary with the market value of the investments selected. Account values may, therefore, rise and fall. Past performance should not be taken as an indication of future performance.

# INVESTMENTS AND INVESTMENT RETURNS (CONT)

## FIDUCIAN COLLECTION INVESTMENT RETURNS

Asset Name	Year to 30/06/17	Year to 30/06/18	Year to 30/06/19	Year to 30/06/20	Year to 30/06/21	Compound Return p.a.
<b>Capital Safe</b>						
AMP Capital Managed Treasury Fund	2.0%	1.8%	2.1%	1.0%	0.4%	1.4%
UBS Cash Fund	1.8%	1.7%	1.9%	0.8%	0.0%	1.2%
UBS Short-Term Fixed Income Fund	2.5%	2.2%	2.5%	1.1%	0.5%	1.8%
<b>Capital Stable</b>						
Invesco Wholesale Senior Secured Income	8.4%	4.3%	2.8%	-5.9%	14.7%	4.7%
Macquarie Master Capital Stable Fund	6.1%	4.7%	6.5%	7.0%	8.1%	6.5%
Onepath Wholesale Capital Stable Trust	1.8%	3.1%	5.6%	0.5%	4.3%	3.1%
Pendal Conservative Outlook Fund	2.7%	4.8%	4.1%	-0.4%	7.5%	3.5%
<b>Balanced</b>						
Colonial First State W'sale Diversified Fund	7.1%	10.2%	9.2%	-0.6%	18.1%	8.6%
Legg Mason Martin Currie Diversified Growth Fund	12.8%	8.3%	4.9%	-3.5%	17.9%	7.7%
Macquarie Master Balanced Fund	11.6%	8.9%	8.4%	4.6%	15.6%	9.8%
Onepath Tax Effective Income Trust - Wholesale Class	3.6%	7.4%	9.6%	-10.6%	20.5%	5.6%
Pendal Balanced Returns Fund	6.6%	8.6%	4.4%	-1.8%	16.9%	6.8%
Schroder Strategic Growth Fund Wholesale Class	12.1%	7.4%	7.1%	-1.1%	17.6%	8.4%
<b>Growth</b>						
Aberdeen Standard Multi-Asset Real Return Fund	11.1%	3.9%	6.0%	-4.5%	15.2%	6.1%
Onepath Wholesale Managed Growth Trust	9.0%	8.3%	6.8%	-3.2%	19.2%	7.8%
<b>Australian Shares</b>						
AMP Capital Equity Fund	9.0%	13.6%	11.5%	-7.8%	27.1%	10.1%
Antares Professional High Growth Shares Fund	17.1%	18.7%	5.4%	-11.7%	39.9%	12.6%
Ausbil Australian Active Equity Fund	14.0%	16.3%	6.1%	-6.7%	37.8%	12.6%
Colonial First State Wholesale Australian Share Fund	3.9%	23.0%	8.9%	4.2%	33.8%	14.2%
Colonial First State Wholesale Imputation Fund	7.3%	20.4%	9.9%	-3.1%	29.8%	12.3%
Hyperion Australian Growth Companies Fund	5.4%	15.3%	6.0%	17.7%	39.2%	16.1%
Investors Mutual Australian Shares Fund	12.5%	5.2%	8.7%	-12.0%	21.0%	6.5%
Pendal Australian Share Fund	15.8%	14.8%	7.9%	-6.2%	30.5%	11.9%
Perpetual's W/S Industrial Fund	13.8%	5.9%	4.4%	-11.1%	32.3%	8.2%
Perpetual Wholesale Ethical SRI Fund	13.9%	6.2%	-0.8%	-8.3%	38.5%	8.8%
Sandhurst IML Industrial Share Fund	13.9%	4.1%	6.7%	-15.6%	25.1%	5.9%
Schroder Wholesale Australian Equity Fund	20.1%	12.8%	9.4%	-10.9%	33.5%	11.0%
Niko AM Australian Share Wholesale Fund	23.4%	11.8%	-2.5%	-15.7%	27.5%	8.6%
Vanguard Wholesale Australian Shares Index Fund	13.7%	13.0%	11.2%	-7.6%	28.4%	11.1%
<b>Australian Smaller Company Shares</b>						
Pendal Smaller Companies Fund	5.5%	25.1%	-3.5%	-3.1%	28.8%	9.7%
Investors Mutual Aust. Smaller Cos Fund	13.7%	10.6%	-0.8%	-10.1%	31.6%	8.1%

# INVESTMENTS AND INVESTMENT RETURNS (CONT)

## FIDUCIAN COLLECTION INVESTMENT RETURNS (CONT)

Asset Name	Year to 30/06/17	Year to 30/06/18	Year to 30/06/19	Year to 30/06/20	Year to 30/06/21	Compound Return p.a.
<b>International Shares</b>						
Aberdeen Standard Actively Hedged International Equities Fund	12.1%	9.0%	10.3%	3.2%	26.2%	11.9%
Aberdeen Standard Emerging Opportunities Fund	13.2%	-0.3%	13.4%	-4.4%	37.9%	11.0%
Arrowstreet Global Equity Fund (Hedged)	20.4%	12.0%	6.9%	-1.6%	46.1%	15.7%
AMP Capital Wholesale Global Equity - Value Fund	15.7%	11.8%	0.9%	-4.5%	31.5%	10.4%
Janus Henderson W'sale Global Natural Resources Fund	3.9%	21.1%	-2.7%	-7.9%	36.5%	9.0%
Magellan Global Fund	15.4%	16.9%	20.2%	9.0%	10.8%	14.4%
Magellan Infrastructure Fund	8.6%	6.9%	16.5%	-8.9%	7.9%	5.9%
Pendal Asian Share Fund	15.3%	1.2%	5.1%	9.5%	47.1%	14.6%
Pendal International Share Fund	16.0%	14.0%	4.1%	-5.0%	35.4%	12.1%
Platinum Asia Fund	19.7%	16.5%	0.5%	14.7%	26.2%	15.2%
Platinum International Fund	21.4%	14.2%	0.8%	-4.1%	26.2%	11.1%
PM Capital Global Companies Fund	34.7%	14.0%	0.5%	-6.4%	52.1%	17.1%
Premium China Fund	29.9%	14.5%	-4.0%	8.8%	37.4%	16.3%
Templeton Global Equity Fund	19.9%	10.7%	0.8%	-3.8%	29.5%	10.7%
Vanguard Wholesale International Shares Index Fund	14.7%	15.4%	12.2%	5.2%	27.5%	14.8%
Vanguard Wholesale International Shares Index Fund (Hedged)	20.6%	11.4%	6.5%	1.4%	35.8%	14.5%
<b>Property Securities</b>						
APN Property for Income Fund No. 2	-3.0%	11.0%	11.3%	-19.8%	27.8%	4.2%
Ironbark Paladin Property Securities Fund	-4.6%	16.0%	16.3%	-16.0%	35.1%	7.8%
Legg Mason Martin Currie Property Securities Trust	-4.9%	10.2%	5.4%	-18.3%	34.5%	4.0%
Pendal Property Investment Fund	-4.8%	12.2%	23.5%	-16.6%	34.8%	8.2%
SG Hiscock Property Opportunities Fund	-1.2%	10.5%	3.7%	-25.0%	31.6%	2.1%
Vanguard Wholesale Property Securities Index Fund	-5.5%	13.0%	19.3%	-20.7%	33.7%	6.2%
<b>Geared Funds</b>						
Colonial First State Wholesale Geared Share Fund	24.1%	30.7%	16.5%	-11.7%	76.3%	24.1%
<b>Fixed Income</b>						
Janus Henderson Tactical Income Trust	2.7%	2.9%	3.3%	2.8%	2.2%	2.8%
Vanguard International Fixed Interest Index Fund (Hedged)	-1.3%	2.1%	6.8%	5.2%	-1.7%	2.2%
Perpetual Wholesale Diversified Income Fund	5.3%	3.2%	3.2%	0.7%	5.9%	3.7%
Schroder Fixed Income Wholesale Class	0.7%	2.7%	9.0%	4.3%	1.5%	3.6%
Vanguard Australian Fixed Interest Index Fund	0.1%	2.8%	9.4%	3.8%	-0.9%	3.0%

# ASSET ALLOCATION AT 30 JUNE 2021

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
<b>Fiducian Funds</b>								
Fiducian Capital Safe Fund	39.3%	60.7%						
Fiducian Capital Stable Fund	34.6%	14.1%	9.3%	8.4%	16.4%	12.1%	5.1%	
Fiducian Balanced Fund	10.4%	7.2%	4.8%	4.3%	38.0%	26.2%	9.1%	
Fiducian Growth Fund	7.1%	3.6%	2.4%	2.1%	42.7%	31.1%	10.8%	
Fiducian Australian Shares Fund	0.4%				99.6%			
Fiducian Aust. Smaller Co Shares Fund	0.5%				99.5%			
Fiducian International Shares Fund	0.9%					99.1%		
Fiducian Geared Australian Shares Fund	5.3%				94.7%			
Fiducian Global Smaller Company & Emerging Mkts Fund	4.4%					95.6%		
Fiducian India Fund	0.9%					99.1%		
Fiducian Property Securities Fund	0.3%						99.7%	
Fiducian Technology Fund	1.1%					98.9%		
Fiducian Ultra Growth Fund	0.6%				45.7%	46.2%	7.5%	
Fiducian Diversified Social Aspirations Fund	3.4%				53.0%	43.7%		

# ASSET ALLOCATION AT 30 JUNE 2020

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
<b>Fiducian Funds</b>								
Fiducian Capital Safe Fund	63.3%	36.7%						
Fiducian Capital Stable Fund	30.4%	25.2%	11.0%	0.0%	15.8%	12.5%	5.1%	
Fiducian Balanced Fund	9.7%	12.6%	5.5%	0.0%	37.0%	26.5%	8.7%	
Fiducian Growth Fund	5.9%	7.3%	3.2%	0.0%	42.2%	30.5%	11.0%	
Fiducian Australian Shares Fund	0.4%				99.6%			
Fiducian Aust. Smaller Co Shares Fund	1.2%				98.8%			
Fiducian International Shares Fund	1.0%					99.0%		
Fiducian Geared Australian Shares Fund	2.5%				97.5%			
Fiducian Global Smaller Company & Emerging Mkts Fund	1.1%					98.9%		
Fiducian India Fund	1.5%					98.5%		
Fiducian Property Securities Fund	1.3%						98.7%	
Fiducian Technology Fund	1.5%					98.5%		
Fiducian Ultra Growth Fund	1.5%				46.2%	44.4%	7.9%	
Fiducian Diversified Social Aspirations Fund	2.7%				59.9%	37.4%		

# ASSET ALLOCATION AT 30 JUNE 2021

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
<b>Fiducian Collection</b>								
<b>Capital Safe</b>								
AMP Capital Managed Treasury Fund	11.2%	74.3%	14.5%					
UBS Cash Fund	96.7%	3.3%						
UBS Short-Term Fixed Income Fund	44.6%	55.4%						
<b>Capital Stable</b>								
Invesco Wholesale Senior Secured Income	1.1%		98.9%					
Macquarie Master Capital Stable Fund	21.9%	24.9%	11.2%		26.0%	14.8%		1.2%
Onepath Wholesale Capital Stable Trust	27.2%	32.9%	21.0%		7.9%	2.4%	3.6%	5.0%
Pendal Conservative Outlook Fund	25.7%	17.0%	15.8%		8.9%	11.4%	6.0%	15.1%
<b>Balanced</b>								
Colonial First State Wholesale Diversified Fund	9.3%	17.8%	8.5%		32.0%	27.6%	4.8%	
Legg Mason Martin Currie Diversified Growth Fund	13.4%	11.1%	3.7%		36.3%	24.5%	10.9%	
Macquarie Master Balanced Fund	22.9%	4.2%	2.1%		39.9%	27.8%		3.1%
Onepath Tax Effective Income Trust - Wholesale Class	10.7%	20.0%			30.7%		32.9%	5.7%
Pendal Balanced Returns Fund	15.2%	7.7%	6.5%		21.9%	26.0%	6.9%	15.7%
Schroder Strategic Growth Fund Wholesale Class	9.5%	9.7%	17.2%		36.2%	27.3%		
<b>Growth</b>								
Aberdeen Standard Multi-Asset Real Return Fund	3.5%	2.3%	31.1%		6.2%	43.1%		13.9%
Onepath Wholesale Managed Growth Trust	2.9%	9.2%	5.7%		22.1%	31.4%	5.2%	23.5%
<b>Australian Shares</b>								
AMP Capital Equity Fund	0.1%				93.4%		6.5%	
Antares Professional High Growth Shares Fund	1.0%				99.0%			
Ausbil Australian Active Equity Fund	0.6%				99.4%			
Colonial First State Wholesale Australian Share Fund	2.0%				98.0%			
Colonial First State Wholesale Imputation Fund	3.5%				96.5%			
Hyperion Australian Growth Companies Fund	5.7%				94.3%			
Investors Mutual Australian Shares Fund	5.0%				91.6%		3.4%	
Pendal Australian Share Fund	2.1%				97.9%			
Perpetual's W/S Industrial Fund	2.9%				85.9%	9.1%	2.2%	
Perpetual Wholesale Ethical SRI Fund	7.6%				85.6%	2.9%	3.9%	
Sandhurst IML Industrial Share Fund					100.0%			
Schroder Wholesale Australian Equity Fund	0.9%				99.1%			
Niko AM Australian Share Wholesale Fund	0.5%				94.2%		6.3%	
Vanguard Wholesale Australian Shares Index Fund					100.0%			
<b>Australian Smaller Company Shares</b>								
Pendal Smaller Companies Fund	6.5%				93.5%			
Investors Mutual Aust. Smaller Cos Fund	8.1%				82.8%		9.1%	

Note: The Trustee is required to advise asset allocation at both the latest and previous 30 June. (See 2020 on pages 13-14).

# ASSET ALLOCATION AT 30 JUNE 2021 (CONT)

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
<b>International Shares</b>								
Aberdeen Standard Actively Hedged International Equities Fund	1.4%					98.6%		
Aberdeen Standard Emerging Opportunities Fund	1.1%					98.9%		
Arrowstreet Global Equity Fund (Hedged)	1.0%					99.0%		
AMP Capital Wholesale Global Equity - Value Fund	1.3%					98.7%		
Janus Henderson W'sale Global Natural Resources Fund	4.0%				12.7%	83.3%		
Magellan Global Fund	5.5%					94.5%		
Magellan Infrastructure Fund	4.2%				15.4%	80.3%		
Pendal Asian Share Fund	9.0%					91.0%		
Pendal International Share Fund	4.1%					95.9%		
Platinum Asia Fund	18.4%					81.6%		
Platinum International Fund	14.7%				3.3%	82.1%		
PM Capital Global Companies Fund	11.6%				0.6%	87.8%		
Premium China Fund	6.8%					93.2%		
Templeton Global Equity Fund	7.5%					92.5%		
Vanguard Wholesale International Shares Index Fund						100.0%		
Vanguard Wholesale International Shares Index Fund (Hedged)						100.0%		
<b>Property Securities</b>								
APN Property for Income Fund No. 2	3.1%						96.9%	
Ironbark Paladin Property Securities Fund	1.5%						98.5%	
Legg Mason Martin Currie Property Securities Trust					2.6%		97.4%	
Pendal Property Investment Fund	6.3%						93.7%	
SG Hiscock Property Opportunities Fund	1.7%						98.3%	
Vanguard Wholesale Property Securities Index Fund							100.0%	
<b>Geared Funds</b>								
Colonial First State Wholesale Geared Share Fund	4.1%				95.9%			
<b>Fixed Income</b>								
Janus Henderson Tactical Income Trust	11.8%	85.8%	2.4%					
Vanguard International Fixed Interest Index Fund (Hedged)		1.7%	98.3%					
Perpetual Wholesale Diversified Income Fund	16.3%	73.9%	9.9%					
Schroder Fixed Income Wholesale Class	14.0%	81.1%	4.9%					
Vanguard Australian Fixed Interest Index Fund		100.0%						

Note: The Trustee is required to advise asset allocation at both the latest and previous 30 June. (See 2020 on pages 13-14).

# ASSET ALLOCATION AT 30 JUNE 2020

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
<b>Fiducian Collection</b>								
<b>Capital Safe</b>								
AMP Capital Managed Treasury Fund	20.1%	68.7%	11.2%					
UBS Cash Fund	91.6%	8.4%						
UBS Short-Term Fixed Income Fund	31.1%	68.9%						
<b>Capital Stable</b>								
Invesco Wholesale Senior Secured Income	1.2%		98.8%					
Macquarie Master Capital Stable Fund	3.8%	51.2%	18.3%		14.0%	9.9%		2.7%
Onepath Wholesale Capital Stable Trust	27.7%	30.4%	22.5%		8.1%	2.3%	3.2%	5.9%
Pendal Conservative Outlook Fund	25.8%	16.4%	17.4%		9.6%	11.0%	4.5%	15.3%
<b>Balanced</b>								
Colonial First State Wholesale Diversified Fund	9.4%	19.3%	9.8%		32.1%	24.7%	4.8%	
Legg Mason Martin Currie Diversified Growth Fund	7.4%	13.8%	3.3%		45.4%	20.0%	8.5%	1.7%
Macquarie Master Balanced Fund	3.7%	28.5%	13.8%		25.6%	24.2%		4.3%
Onepath Tax Effective Income Trust - Wholesale Class	13.0%	19.7%			31.4%		31.3%	4.7%
Pendal Balanced Returns Fund	10.4%	10.7%	9.6%		23.0%	25.8%	5.3%	15.2%
Schroder Strategic Growth Fund Wholesale Class	15.7%	13.9%	11.2%		35.0%	24.2%		
<b>Growth</b>								
Aberdeen Standard Multi-Asset Real Return Fund	7.2%	12.5%	21.5%		7.7%	23.7%		27.5%
Onepath Wholesale Managed Growth Trust	3.2%	9.6%	8.2%		21.2%	26.6%	5.2%	26.1%
<b>Australian Shares</b>								
AMP Capital Equity Fund	1.1%				92.5%		6.4%	
Antares Professional High Growth Shares Fund	1.2%				98.8%			
Ausbil Australian Active Equity Fund	0.5%				99.5%			
Colonial First State Wholesale Australian Share Fund	1.4%				98.6%			
Colonial First State Wholesale Imputation Fund	1.6%				98.4%			
Hyperion Australian Growth Companies Fund	3.7%				96.3%			
Investors Mutual Australian Shares Fund	5.9%				91.3%		2.8%	
Pendal Australian Share Fund	3.7%				96.3%			
Perpetual's W/S Industrial Fund	3.8%				83.5%	8.6%	4.1%	
Perpetual Wholesale Ethical SRI Fund	8.0%				84.4%	5.2%	2.4%	
Sandhurst IML Industrial Share Fund	2.5%				97.5%			
Schroder Wholesale Australian Equity Fund	3.5%				96.5%			
Niko AM Australian Share Wholesale Fund	0.2%				94.1%		5.7%	
Vanguard Wholesale Australian Shares Index Fund					100.0%			
<b>Australian Smaller Company Shares</b>								
Pendal Smaller Companies Fund	4.6%				95.4%			
Investors Mutual Aust. Smaller Cos Fund	10.3%				84.4%		5.4%	

# ASSET ALLOCATION AT 30 JUNE 2020 (CONT)

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
<b>International Shares</b>								
Aberdeen Standard Actively Hedged International Equities Fund	0.8%					99.2%		
Aberdeen Standard Emerging Opportunities Fund	1.2%					98.8%		
Arrowstreet Global Equity Fund (Hedged)	4.0%					96.0%		
AMP Capital Wholesale Global Equity - Value Fund	1.6%					98.4%		
Janus Henderson W'sale Global Natural Resources Fund	1.2%				13.5%	85.3%		
Magellan Global Fund	15.4%					84.6%		
Magellan Infrastructure Fund	11.5%				15.2%	73.3%		
Pendal Asian Share Fund	6.5%					93.5%		
Pendal International Share Fund	2.5%					97.5%		
Platinum Asia Fund	5.3%					94.7%		
Platinum International Fund	12.6%				0.3%	87.2%		
PM Capital Global Companies Fund	-0.9%	5.9%			0.4%	94.5%		
Premium China Fund	0.5%					99.5%		
Templeton Global Equity Fund	6.9%					93.2%		
Vanguard Wholesale International Shares Index Fund						100.0%		
Vanguard Wholesale International Shares Index Fund (Hedged)						100.0%		
<b>Property Securities</b>								
APN Property for Income Fund No. 2	2.8%						97.2%	
Ironbark Paladin Property Securities Fund	1.7%						98.3%	
Legg Mason Martin Currie Property Securities Trust	1.4%				1.0%		97.6%	
Pendal Property Investment Fund	4.0%						96.0%	
SG Hiscock Property Opportunities Fund	3.4%						96.6%	
Vanguard Wholesale Property Securities Index Fund							100.0%	
<b>Geared Funds</b>								
Colonial First State Wholesale Geared Share Fund	4.7%				95.3%			
<b>Fixed Income</b>								
Aberdeen Standard Australian Fixed Income Fund	4.0%	96.0%						
Janus Henderson Tactical Income Trust	6.4%	88.6%	5.0%					
Vanguard International Fixed Interest Index Fund (Hedged)		1.5%	98.5%					
Perpetual Wholesale Diversified Income Fund	16.3%	52.1%	31.6%					
Schroder Fixed Income Wholesale Class	7.8%	87.1%	5.1%					
Vanguard Australian Fixed Interest Index Fund		100.0%						



# LONG TERM RETURN OBJECTIVES

The following table indicates the choices currently available through the Trustee's investment strategy, the asset ranges within investment options, long term expected returns and the likelihood of negative returns over a 20 year period:

Categories	Maximum Asset Ranges		Long-term Return Objective over 7+ years	Estimated Number of Negative Returns over a 20-year period	Risk Label
	Growth	Defensive			
<b>Diversified Funds</b>					
Capital Stable	35%	80%	CPI + 3.5%	1 to 2	Low to medium
Balanced	75%	50%	CPI + 5.5%	2 to 3	Medium
Growth	95%	25%	CPI + 6.5%	3 to 4	Medium to high
High Growth / Ultra Growth	100%	5%	CPI + 8.5%	6 or greater	Very high
<b>Asset Sector Funds</b>					
Australian Shares	100%	10%	CPI + 7.5%	4 to 6	High
International Shares	100%	10%	CPI + 7.0%	4 to 6	High
Australian Smaller Company Shares	100%	10%	CPI + 8.5%	6 or greater	Very high
Emerging Markets	100%	10%	CPI + 10.0%	6 or greater	Very high
Listed Property Securities	100%	10%	CPI + 6.5%	3 to 4	Medium to high
<b>Specialist Funds</b>					
Cash or Capital Safe	-	100%	CPI + 1.0%	1	Very low
Geared Shares	100%	10%	CPI + 10.5%	6 or greater	Very high
Technology	100%	10%	CPI + 10.5%	6 or greater	Very high
Debt / Income / Mortgage Securities	-	100%	CPI + 4.5%	2 to 3	Medium
Resources	100%	10%	CPI + 8.0%	4 to 6	High
India / China	100%	25%	CPI + 10.5%	6 or greater	Very high

# INVESTMENT MANAGERS

The investment managers appointed, as at 30 June 2021, for the Fiducian Collection and the Fiducian Funds were:

- Aberdeen Asset Management Limited
- ABG Sundal Collier ASA
- AMP Capital Investors Ltd
- Ausbil Investment Management Ltd
- Bennelong Australian Equity Partners Pty Ltd
- BlackRock Asset Management Australia Ltd
- Challenger Ltd
- DFA Australia Ltd
- FIL Ltd
- Fidante Partners Limited
- Fiducian Investment Management Services Limited
- First Sentier Investors (Australia) IM Ltd
- Franklin Templeton Investments Australia Limited
- Investors Mutual Limited
- L1 Capital Pty Ltd
- Legg Mason Asset Management Australia Ltd
- NovaPort Capital Pty Limited
- OnePath Funds Management Ltd
- Ophir Asset Management Pty Ltd
- Pareto Australia Pty Ltd
- Pental Group Ltd
- Perpetual Investment Management Ltd
- Phoenix Portfolios Pty Ltd
- Platinum Asset Management Ltd
- Premium China Funds Management Pty Ltd
- Principal Global Investors (Australia) Ltd
- QVG Capital Pty Ltd
- Sandhurst Trustees Limited
- SBI Funds Management Private Limited
- Schroder Investment Management (Australia) Limited
- SG Hiscock & Company Limited
- Solaris Investment Management Limited
- State Street Global Advisors, Australia, Ltd
- Sundaram Asset Management Company Ltd
- Tata Asset Management Ltd
- UBS Global Asset Management (Australia) Ltd
- Vanguard Investments Australia Ltd
- Wellington Management Company, LLP

# FIDUCIAN PORTFOLIOS

The shares held in the four Fiducian Portfolios at 30 June 2021 were:

## IMPUTATION PORTFOLIO

- Aristocrat Leisure Ltd
- BHP Group Limited
- Challenger Ltd
- Commonwealth Bank of Australia
- Downer EDI Ltd
- Flight Centre Travel Group Limited
- Harvey Norman Holdings Ltd
- IOOF Ltd
- Medibank Private Ltd
- Pental Group Ltd
- Qantas Airways
- Suncorp Group Ltd
- Westpac Banking Corporation
- Woodside Petroleum Ltd

## GROWTH PORTFOLIO

- Afterpay Ltd
- Altium Ltd
- Carsales.Com Ltd
- CSL Ltd
- Domino's Pizza Enterprises Ltd
- Macquarie Group Ltd
- Mineral Resources Limited
- Pro Medicus Limited
- REA Group Ltd
- Rio Tinto Ltd
- Seek Ltd
- WiseTech Global Ltd
- Worley Ltd
- Xero Limited

## PROPERTY SECURITIES PORTFOLIO

- Charter Hall Group
- Goodman Group
- Lend Lease Group
- Mirvac Group
- Scentre Group
- Stockland
- Sydney Airport
- Unibail-Rodamco-Westfield

## EMERGING LEADERS PORTFOLIO

- Appen Limited
- City Chic Collective Limited
- Dicker Data Limited
- IGO Limited
- IPH Limited
- Jumbo Interactive Limited
- Lynas Corporation Limited
- Nearmap Limited
- Polynovo Limited
- Pwr Holdings Limited
- Uniti Group Limited
- Volpara Health Technologies Limited
- Westgold Resources Limited
- Zip Co Limited



# STATEMENT OF FUND POLICY ON THE USE OF DERIVATIVE SECURITIES

The Fund does not currently use derivative securities.

In future, if it is decided to use such products, the Trustee will be required to modify the Risk Management Statement (RMS). Any such approved RMS must specify procedures for approval of actions and include detailed responsibilities and authorities as well as reporting and review procedures.

## FINANCIAL ACCOUNTS

### FIDUCIAN SUPERANNUATION SERVICE INCOME STATEMENT

For the year ended 30 June 2021

	2021	2020
	\$000	\$000
<b>Superannuation Activities</b>		
Interest income	621	856
Distribution income	129,616	59,452
Dividend income	495	644
Net change in fair value of financial instruments	252,975	(66,949)
<b>Total income/(loss) from Superannuation activities</b>	<b>383,707</b>	<b>(5,997)</b>
<b>General administration expenses</b>		
Administration and other service provider expenses	(14,773)	(14,342)
Advice fees	(9,607)	(8,600)
<b>Total expenses</b>	<b>(24,380)</b>	<b>(22,942)</b>
<b>Results from superannuation activities before Income tax</b>	<b>359,327</b>	<b>(28,939)</b>
Income tax benefit/(expense)	(11,137)	9,161
<b>Results from superannuation activities after Income tax</b>	<b>348,190</b>	<b>(19,778)</b>
Net benefits allocated to defined contribution members	(348,190)	19,778
<b>Operating result after income tax</b>	<b>-</b>	<b>-</b>

**Notes:**

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2021 are available on request.

### FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	2021	2020
	\$000	\$000
<b>Assets</b>		
Cash and cash equivalents	75,026	66,622
Distributions receivable	117,565	48,480
Outstanding settlements	3,566	2,090
Financial Assets at fair value through profit and loss	1,814,373	1,404,862
<b>Total assets</b>	<b>2,010,530</b>	<b>1,522,054</b>
<b>Liabilities</b>		
Advice fees, Administration and other service provider fees	2,398	2,273
Other accounts payable	53	53
Income tax payable	5,333	465
Deferred tax liability	16,737	5,949
<b>Total liabilities excluding member benefits</b>	<b>24,521</b>	<b>8,740</b>
<b>Net assets available for member benefits</b>	<b>1,986,009</b>	<b>1,513,314</b>
<b>Member Benefits</b>		
Allocated to members	1,978,212	1,507,120
<b>Total member benefits</b>	<b>1,978,212</b>	<b>1,507,120</b>
<b>Net Assets</b>	<b>7,797</b>	<b>6,194</b>
<b>Equity</b>		
Reserves	7,797	6,194
<b>Total Equity</b>	<b>7,797</b>	<b>6,194</b>

**Notes:**

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2021 are available on request.

# FINANCIAL ACCOUNTS (CONT)

## FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF CHANGES IN MEMBER BENEFITS

For the year ended 30 June 2021

	2021	2020
	\$000	\$000
<b>Opening balance of member benefits</b>	<b>1,507,120</b>	<b>1,435,158</b>
Contributions received:		
Employer	17,987	16,010
Members	52,597	46,673
Transfers from other superannuation funds	169,802	154,343
Government superannuation co-contributions	40	37
Income Tax on contributions	(4,749)	(4,500)
<b>Net after tax contributions</b>	<b>235,677</b>	<b>212,563</b>
Benefits to members:		
Benefit Payments	(89,855)	(90,055)
Transfers to other superannuation funds	(20,813)	(30,262)
Net Insurance Premiums adjusted in members' accounts	(949)	(1,398)
Net Transfer (to)/from Reserves	(1,158)	892
Benefits allocated to members' accounts:		
Net Investment Income	383,707	(6,712)
Net Advice fee, Administration and other service providers	(24,380)	(22,227)
Tax benefit/(expense)	(11,137)	9,161
	235,415	(140,601)
<b>Closing balance of member benefits</b>	<b>1,978,212</b>	<b>1,507,120</b>

### Notes:

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2021 are available on request.

## FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Expense Reserve	Operational Risk Reserve	Total Equity
	\$000	\$000	\$000
<b>Balance as at 30 June 2019</b>	<b>491</b>	<b>6,214</b>	<b>6,705</b>
Transfer from members	381	-	381
Structural tax benefits/earnings	3,370	(25)	3,345
Payment to service providers	(4,237)	-	(4,237)
<b>Balance as at 30 June 2020</b>	<b>5</b>	<b>6,189</b>	<b>6,194</b>
Transfer from members	445	-	445
Structural tax benefits/earnings	3,287	1,346	4,633
Payment to service providers	(3,475)	-	(3,475)
<b>Balance as at 30 June 2021</b>	<b>262</b>	<b>7,535</b>	<b>7,797</b>

### Notes:

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2021 are available on request.

# FINANCIAL ACCOUNTS (CONT)

## FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	2021	2020
	\$000	\$000
<b>Cash flows from operating activities</b>		
Interest received	621	856
Distributions received	60,531	50,286
Dividends received	495	644
Other income received	920	460
Advice fees, Administration and other service provider fees paid	(26,030)	(24,190)
Taxes received	6,431	9,673
<b>Net cash flows from operating activities</b>	<b>42,968</b>	<b>37,729</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of unit trusts	312,196	269,564
Proceeds from sale of shares in listed companies	7,110	11,009
Units in unit trusts purchased	(470,624)	(386,571)
Shares in listed companies purchased	(6,694)	(9,912)
<b>Net cash used in investing activities</b>	<b>(158,012)</b>	<b>(115,910)</b>

## FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF CASH FLOWS (CONT)

For the year ended 30 June 2021

	2021	2020
	\$000	\$000
<b>Cash flows from financing activities</b>		
Contributions received:		
Employer	17,987	16,010
Members	52,597	46,673
Transfers from other funds	169,802	154,343
Government co-contributions	40	37
Contributions tax paid	(4,749)	(4,500)
Net transfer to reserves	445	381
Net premiums on term insurance policies (received)/paid	(2,007)	(1,996)
Benefits paid	(110,667)	(120,317)
<b>Net cash flow from financing activities</b>	<b>123,448</b>	<b>90,631</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,404</b>	<b>12,450</b>
Cash and cash equivalents at the beginning of the year	66,622	54,172
<b>Cash and cash equivalents at the end of the year</b>	<b>75,026</b>	<b>66,622</b>

### Notes:

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2021 are available on request.

# STATUTORY INFORMATION

## TRUSTEE

Fiducian Portfolio Services Limited was appointed as the Trustee for the Fund under the provisions of the Trust Deed. Fiducian Portfolio Services Limited has been the Trustee since the commencement of the Fund on 16 January 1997 and has indemnity insurance for the protection of members.

Fiducian Portfolio Services Limited is a wholly owned subsidiary of Fiducian Group Limited. Fiducian was first listed on the Australian Stock Exchange on 12 September 2000.

## TRUSTEE BOARD AND COMMITTEES

### Fiducian Portfolio Services Limited – Record of Attendance at Trustee Board and Committee Meetings

Trustee Director or Committee Member Name	Trustee Board		Audit, Risk and Compliance Committee		Investment Committee		Remuneration and Nominations Committee	
	No. of Meetings Attended	No. of Meetings Eligible to Attend	No. of Meetings Attended	No. of Meetings Eligible to Attend	No. of Meetings Attended	No. of Meetings Eligible to Attend	No. of Meetings Attended	No. of Meetings Eligible to Attend
Drew Vaughan	10	10	5	5	4	4	2	2
S.G. Venkatramani	9	10	5	5	-	-	2	2
Ross Martin	9	10	-	-	4	4	-	-
Frank Khouri	10	10	5	5	-	-	2	2
Sam Hallab	10	10	2	2	-	-	-	-
Assyat David <sup>1</sup>	3	3	-	-	-	-	-	-
Nikki Hoad <sup>2</sup>	6	7	-	-	-	-	-	-
Mike Devlin <sup>3</sup>	-	-	-	-	3	3	-	-
Jai Singh	-	-	-	-	3	4	-	-
Tony Breen	-	-	-	-	3	4	-	-
Peter Mouatt <sup>4</sup>	-	-	-	-	1	1	-	-

<sup>1</sup> Assyat David retired on 23 October 2020.

<sup>2</sup> Nikki Hoad was appointed as a Trustee Director on 4 November 2020.

<sup>3</sup> Mike Devlin retired on 28 January 2021.

<sup>4</sup> Peter Mouatt was appointed as an Investment Committee member on 29 April 2021

# STATUTORY INFORMATION (CONT)

## TRUST DEED

A copy of the Trust Deed is available on the Fiducian website at:

[https://www.fiducian.com.au/files/corporate\\_docs/Fiducian\\_Superannuation\\_Service\\_Trust\\_Deed.pdf](https://www.fiducian.com.au/files/corporate_docs/Fiducian_Superannuation_Service_Trust_Deed.pdf)

## HOW YOUR MEMBER ACCOUNT WORKS

Your Member Account reflects accumulated contributions and net earnings, less taxes, pension payments and withdrawals, and any insurance premiums paid.

Net earnings are your share of the net earnings of the investments in which you invested. These net earnings are calculated as:

### Income/Gains

- Investment income (after investment managers' fees and transaction costs)
- Realised capital gains
- Unrealised capital gains

### Less Outgoings/Losses

- Management fees and charges
- Realised capital losses
- Unrealised capital losses
- Taxes and duties (where applicable)

## INVESTMENT OBJECTIVES

The investment objective of the Fund is to provide members with a diversified range of investment options to enable members to maximise their superannuation and retirement planning needs. The Fund has been established solely for the purpose of:

- (a) paying benefits to members on or after retirement from gainful employment and when a prescribed event has occurred;
- (b) paying benefits to members when they have reached the prescribed age; or
- (c) paying benefits on the member's death to the member's dependents or legal representative.

## INVESTMENT STRATEGY

In support of the investment objectives, the Trustee has implemented an investment strategy that has regard to, amongst other things:

- (a) the risk involved in making, holding and realising, and the likely return from the investments;
- (b) offering a range of investments from which Fund members may implement an investment strategy or strategies and minimise investment risk through a diversified investment choice;
- (c) the liquidity of investments offered as part of a diversified investment strategy;
- (d) the reliability of valuation information for investment options; and
- (e) associated liabilities, costs and taxation.

The investment strategy has been formulated by the Trustee on the basis that Fund members are offered a range of investment options and are able to give directions to the Trustee on their choice of investment in a particular asset or class of assets offered through the Fund.

The Trustee has considered investment opportunities to allow diversification across investment funds, investment styles and investment managers. In approving each investment option as part of the Fund investment strategy, the Trustee has put in place procedures for the research, recommendation and approval of all investment options offered. While the Trustee will determine the types of investment opportunities and asset classes available through the Fund, it does not direct investment managers in the selection of underlying investments. Rather, the Trustee approves investment options offered through the Fund on the basis of a proper selection process.

## EXPENSE RESERVE AND EXPENSE RECOVERY FEE

The Trustee is entitled to be reimbursed for expenses properly incurred in the operation of the Fund. For this reason, the Trustee has established an Expense Reserve within the Fund for payment of the operational expenses of the Fund.

The Expense Reserve is built up from Fund income (if and when allocated) and taxation benefits, which are generated from the design of the Fund and that have been allocated by the Trustee to the Expense Reserve. The funding of the Expense Reserve is not an additional charge to your account.

The difference between the amounts withheld from your account for payment of tax, provision for tax and the actual tax payable are credited to the Expense Reserve.

The actual amount of tax paid in the Fund is generally less than the 15% that is withheld for tax because of the benefit of tax deductions as well as capital gains discounts and franking credits that reduce the Trustee's effective rate of tax.

The Trustee estimates that operational expenses may be up to 0.45% of the assets of the Fund.

Under the administration agreement between the Trustee and the Administrator, the Administrator is entitled to charge an Expense Recovery Fee from the Fund for expenses incurred in the operation of the Fund. The Expense Recovery Fee is calculated as a percentage of the average monthly value of the assets of the Fund and paid out of the Expense Reserve. As the Expense Recovery Fee is paid from the Expense Reserve, it is not an additional charge to your account. This arrangement could change pursuant to any amendment to the administration agreement. The Expense Reserve is managed by the Trustee and invested in cash or similar type assets.

## OPERATIONAL RISK FINANCIAL REQUIREMENT (ORFR)

As required by APRA, the Trustee is required to establish and maintain a financial reserve to address the risk of loss resulting from inadequate or failed internal process, people and systems, or from external events. APRA Prudential Standards require the Trustee to set a Target Amount that reflects the scale of possible losses having regard to its risk management framework, risk appetite, risk mitigation and controls.

# STATUTORY INFORMATION (CONT)

The Operational Risk Reserve (ORR) is a reserve held within the Fund for your benefit and the Target Amount has been built up gradually over 3 years from your ORFR contributions. The ORFR contribution may change from time to time (depending on the size of the Fund, the Operational Risk Reserve and other factors). The ORFR contribution, currently 0.083% capped at \$300 per 6 monthly instalment with a maximum of 6 instalments from an account, has been temporarily suspended. You will be informed if there are any changes in the ORFR contribution. The ORR is managed by the Trustee and invested in a Balanced portfolio or similar type assets.

The Reserve levels for the 2021 financial year and preceding years are shown below:

		Expense Reserve	ORR	Total
30 June '13	Bal.	\$3,521,526	-	\$3,521,526
	Mov.	-\$503,818	\$778,488	\$274,670
30 June '14	Bal.	\$3,017,708	\$778,488	\$3,796,196
	Mov.	-\$616,708	\$1,104,512	\$487,804
30 June '15	Bal.	\$2,401,000	\$1,883,000	\$4,284,000
	Mov.	-\$1,072,638	\$1,837,918	\$765,280
30 June '16	Bal.	\$1,328,362	\$3,720,918	\$5,049,280
	Mov.	\$52,499	\$651,064	\$703,563
30 June '17	Bal.	\$1,380,861	\$4,371,982	\$5,752,843
	Mov.	\$2,887	\$1,151,547	\$1,154,434
30 June '18	Bal.	\$1,383,748	\$5,523,529	\$6,907,277
	Mov.	-\$892,305	\$690,198	-\$202,107
30 June '19	Bal.	\$491,443	\$6,213,727	\$6,705,170
	Mov.	-\$486,497	-\$25,198	-\$511,695
30 June '20	Bal.	\$4,946	\$6,188,529	\$6,193,475
	Mov.	\$256,998	\$1,346,043	\$1,603,041
30 June '21	Bal.	\$261,944	\$7,534,572	\$7,796,516

## FUND WEBSITE DETAILS

The Fund is required to make available online product disclosure documents for the Fund together with specified information regarding Trustee Director details and Fund governance. This information is available at <https://www.fiducian.com.au/superannuation/>.

## INDEMNITY INSURANCE

The Trustee is indemnified by a policy of insurance which protects the Fund in the event of claim.

## TRANSFER OF ACCOUNT

FSS is required by law to transfer superannuation monies to the ATO in certain circumstances. The main instances where a transfer will occur is when you're identified as:

- a lost member with less than \$6,000 in your account or the account has been inactive for the last 12 months, or
- having an inactive low-balance account. This means your account has less than \$6,000, it has not been credited in the last 16 months, you have not elected to maintain your account regardless of its status and there is no insurance on the account.

We will write to you explaining your options before a transfer to the ATO happens. To find out more, visit [www.ato.gov.au](http://www.ato.gov.au).

