

MASON STEVENS SUPER]

**2019 ANNUAL REPORT
TO MEMBERS**



This Annual Report is issued by Diversa Trustees Limited (ABN 49 006 421 638, AFSL 235153, RSE Licence No. L0000635) as Trustee of Mason Stevens Super (ABN 34 422 545 198, RSE R1005448) ("the Fund"). The Fund is promoted by Mason Stevens Limited (ABN 91 141 447 207, AFSL 351578) ("Mason Stevens").

The Fund is a public offer superannuation fund and was established under a trust deed dated 1 June 1988. The Trustee, a professional trustee company, is responsible for the prudent management of the Fund and for ensuring that the Fund operates in accordance with the Trust Deed governing the Fund and the relevant legislation.

The information contained in this Annual Report is general information only and does not take into account your personal objectives, financial situation, and/or needs or circumstances. Before acting on this information, you should consider its appropriateness, having regard to your personal objectives, financial situation, needs and circumstances.

No representations or warranties express or implied, are made as to the accuracy or completeness of the information, opinions and conclusions contained in this document. To the maximum extent permitted by law, none of the Trustee, its service providers, nor their directors, employees or agents accept any liability for any loss arising in relation to this document.

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1] INTRODUCTION

I am pleased to provide you with the Annual Report for Mason Stevens Super ABN 34 422 545 498 ("Fund"). This Report covers the reporting period from 1 July 2018 to 30 June 2019 ("Financial Year") and provides you with general information about the operations and financial position of the Fund, a legislative update and matters concerning investments in the Fund. It should be read in conjunction with your 2019 Annual Statement, which will be available for download from your personal document library in the online Service.

Mason Stevens have had a strong focus on innovation and member service since our inception in 2010. We intend on serving members by continuing to provide you with a diverse offering that gives you access to domestic and global investment opportunities.

As a member of Mason Stevens Super, you can select from an extensive range of investment choices including Australian and international equities, fixed income securities, managed funds and professionally managed portfolios. With guidance from your financial adviser you can develop a diverse portfolio of investments tailored to suit your circumstances and retirement goals.

We continue to invest into our online portal for members with the latest technology to bring you accurate and comprehensive reporting of your investment holdings, performance and more.

Mason Stevens are proudly Australian and have a truly global capability across most world markets. We pride ourselves on being responsive to markets and members and in building sustainable partnerships with our members.

I am delighted to have you as a member of Mason Stevens Super and on behalf of Mason Stevens, thank you for your ongoing support.

Yours sincerely



Patrick Handley
Chairman
Mason Steven



2] ABOUT MASON STEVENS SUPER

The Fund provides accumulation, account-based pension and transition to retirement pension accounts to help you build and grow your wealth and also draw a regular income in retirement. To assist your retirement needs, Mason Stevens Super offers:

- A wide range of investment choice
- Consolidated custody, administration and reporting
- A competitive fee structure
- Personal insurance options covering death, total and permanent disablement and income protection from a selection of leading insurance providers.

Trustee and Issuer

The Trustee of the Fund during the Financial Year was Diversa Trustees Limited, ABN 49 006 421 638, AFSL 235153, RSE Licence No. L0000635. The names of the directors of the Trustee who held office during the year are:

- V. Plant (Chairperson), appointed 4 May 2017
- G. Wayling, appointed 4 May 2017, resigned 28 June 2019
- R. FitzRoy, appointed 21 December 2017
- F. McNabb, appointed 28 June 2019
- M. Jones, appointed 1 September 2014
- A. Peterson, appointed 28 June 2019

Sponsor and Promoter

Mason Stevens Limited ("Mason Stevens") ABN 91 141 447 207 is the Sponsor and Promoter of the Fund. Mason Stevens Limited is part of the Mason Stevens group of companies ("Mason Stevens Group"). The Mason Stevens Group is a privately-owned financial services firm based in Sydney, founded in 2010. The Mason Stevens Group specialises in offering managed accounts supported by comprehensive investment services, as well as bespoke investment solutions to both retail and wholesale investors. For further information about Mason Stevens visit our website masonstevens.com.au.

Investment Manager

Mason Stevens Asset Management Pty Ltd ("Investment Manager") ABN 92 141 447 654 is the Investment Manager of the Fund and is part of the Mason Stevens Group.

Custodian

Mason Stevens Limited is the custodian of all Fund assets and has appointed National Australia Bank Limited ABN 12 004 044 937, AFSL 230686 as its primary sub-custodian.

Administrator

FNZ (Australia) Pty Limited ABN 67 138 819 119 ("Administrator") is the administrator of the Fund.

3] INVESTMENT INFORMATION

Investment management

The Investment Manager (Mason Stevens Asset Management Pty Ltd) may sub contract the activities of all or some of its investment functions to other investment managers, including your financial adviser or their related companies, for specific financial products or strategies within the Fund. These investment managers are engaged by Mason Stevens Asset Management through a due diligence selection process where the investment managers are ultimately approved by the Trustee.

Managed Portfolios are professionally managed investments that have a defined objective and may hold Australian and international equities, fixed income securities and managed funds or a selection of all of these in the one portfolio. The investment manager is responsible for making investment decisions in line with its chosen investment strategy and will issue instructions to buy and sell assets as well as rebalance the portfolio in line with its objective.

For a full list of available investment options, please refer to the Investment Guide and the Managed Portfolio Disclosure Documents available online at masonstevens.com.au/super or from your adviser.

Objectives and strategy

The general investment objectives of the Fund are:

- To provide you with a range of different investment options by potential return, risk profile and style to suit your individual circumstances and promote diversification of your strategies.
- To achieve competitive investment returns for you commensurate with risk.

In order to achieve the investment objectives, the investment strategy determined by the Trustee is to:

- Provide you with a diverse range of investment choices.
- Provide you with an appropriate:
 - selection of managed funds within each asset class based on the manager's capabilities, investment style and performance
 - selection of cash products (including term deposits) issued by Authorised Deposit-taking Institutions (ADIs)
 - range of investment options through listed securities (including Exchange Traded Funds (ETFs) and Listed Investment Companies (LICs))
 - selection of Managed Portfolios

The Trustee of the Fund considers each investment option as an investment strategy in its own right and aims to provide you with wide range of investment choices that will enable you and your adviser to select an investment strategy that takes into consideration:

- your personal needs
- your personal investment objectives and long-term goals and circumstances
- your risk tolerance, and
- the expected investment timeframe.

With the help of your adviser, you can construct and implement an appropriate investment strategy by choosing investments from the range of investment options available within the Fund.

You can change your investment strategy or options at any time. Your adviser is responsible for placing instructions on your behalf and ensuring your required investment strategies are implemented.

You should refer to the latest Investment Guide and Managed Portfolio Disclosure Documents for details of the investment options currently available to you. These documents are available to you at masonstevens.com.au/super or from your adviser. Please also refer to the website for continuous disclosure updates and other important information relating to the Fund.

Investment options

You and your financial adviser are solely responsible for selecting the investment choices in which you invest in. Neither the Trustee, Sponsor or any of their associated entities guarantees the performance of any investment choice and therefore are not liable for any loss or damage you may incur as a result of you deciding to invest in, or withdraw from, a particular investment choice or the Fund. Due to this, the Trustee may place restrictions on the percentage that you may invest in a particular investment. Please refer to the Product Disclosure Statement (PDS) and the Investment Guide for further details regarding any investment holding limits.

Returns for investment options will generally be generated from a combination of growth assets and defensive (income) assets. Growth assets will include Australian and international equities, listed property and infrastructure and alternative assets. Defensive assets will generally include fixed income securities and cash.

You can view the performance of your account including the investment options you hold via the Mason Stevens Super Service online and by referring to your Annual Statement.

Note: Investment returns can be volatile and past performance is not a reliable indicator of future performance.

The general characteristics of each asset type are set out below.

Growth Assets

Shares, property and infrastructure and alternative assets are generally considered higher risk and higher return investments and are suitable for longer-term investors with a timeframe of five years or more. Historically, these growth assets have provided long-term growth well above inflation. However, returns can be volatile in the short term. Investors can typically expect a negative return once in every four to five years, which is why exposure to these assets is suited to longer term investors. Time historically greatly reduces, but does not eliminate, the volatility in these returns.

Growth asset prices move in cycles, reflecting the underlying strength of the economy, political factors, industry trends and market sentiment. On any given day interest rate and inflation expectations, company profits, dividends, economic growth figures and the rise or fall of currencies can impact these prices.

Defensive Assets

Fixed income securities are lower to medium risk investment choices typically suitable for investors with a timeframe of three years or more. Returns can include income from interest payments and growth from price fluctuations if traded on the secondary market. In addition to providing a regular income stream, fixed income securities can provide a stabilising effect during periods of share market volatility.

Bond yields and prices can fluctuate regularly based on the economic outlook, inflation expectations, the rise or fall of currencies as well as the credit status and risk of the issuers of the fixed income securities. Investors can expect a negative return once in every five to six years. They tend to provide better returns than cash over the long term, but lower returns than property and shares.

Cash and cash-like instruments (including Term Deposits) provide the safest of the investment options (with lowest volatility), but generally provide the lowest return over the medium to long term. Investment in cash and cash-like instruments are not expected to produce a negative return in any year. Holding cash may assist volatility but expose the holder to the risk of inflation over the longer term.

Diversification

In order to reduce market risk, members should ensure that they spread their investment across a range of asset classes and investment choices offered by the Trustee. As the performance of asset classes differ over time, holding investments with low or negative correlations reduces overall return volatility.

Diversification can be achieved in the following ways:

- Spreading exposure across different asset classes
- Holding a spread of investments within each asset class; such as different countries, industries and companies
- Investing in a number of investment options managed by different investment managers in order to diversify manager risk.

The level of exposure to the various asset classes and investments will be determined by the individual needs of each member. Determining these needs is the joint responsibility of the member and financial adviser. The Trustee takes no responsibility in making this determination other than to provide a suitable list of investments and ensure that this list remains suitable for members at all times. Given the broader nature of investment choice across the Fund, the Trustee has a number of policies that outline how the Trustee manages its investment related responsibilities. The Investment Manager, in conjunction with the Trustee, regularly reviews the overall investment strategy.

Further Information about investments you and your financial adviser can make

Through your Self-Directed Portfolio ("SDP") you can access a variety of investment choices and asset classes. Alternatively, you can invest in Managed Portfolios. Through a Managed Portfolio you can access the same investment choices through a professionally managed investment strategy designed to meet a certain investment objective or risk profile.

The investment choices available in the Fund as at 30 June 2019 fall generally into the categories as shown in the following table. For more details about the investment choices available, refer to the relevant product disclosure statement (PDS) including material incorporated by reference which is available from your adviser, or online via the Mason Stevens Super website at masonstevens.com.au/super.

The Trustee may add or remove investment choices from time to time. For an up-to-date list of investment choices, refer to the latest Investment Guide available from your adviser, or online via the Mason Stevens Super website.

Investment type	Availability
Australian equities	You can choose to invest in a selection of listed securities on the Australian Securities Exchange including securities, Exchange Traded Funds (ETFs), Listed Investment Companies (LICs), interest rate securities and hybrids.
International equities	The Fund offers you, either directly or via Managed Portfolios, the opportunity to invest in a selection of equities on international exchanges.
Fixed income securities	You may invest in a selection of Australian fixed income securities. These fixed income securities may include corporate fixed income securities, residential mortgage backed securities and asset backed securities which traditionally are typically reserved for institutions and professional investors.
Managed funds	A managed fund is an investment product where an investor contributes money to receive an interest or "unit" in the managed fund, which is then pooled together with other investors' monies and managed by a fund manager. You can choose from a range of managed funds offered by Australian and international fund managers.
Term deposits	The Fund provides access to term deposits with a range of durations, where the interest is fixed by the term deposit provider.
Managed Portfolios	Managed Portfolios are professionally managed investments that have a defined objective and may hold Australian and international equities, fixed income securities, and managed funds or a selection of all of these in the one portfolio.

Allocation of investment earnings

The net return achieved by the investments selected by you and your adviser and your cash holdings, after taking into account gains or losses of a revenue or capital nature and any fees, costs, expenses or tax applicable (including reasonable estimates for tax and expenses where the exact amount may not be known) is passed on to members' accounts.

Your annual return is equal to the gross income generated by the selected underlying investment options less any relevant fees, costs and taxes during each financial year. More information about the fees and costs can be obtained by reviewing the fees and costs information in the current PDS (including incorporated information) applicable to your membership of the Fund.

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

Asset Allocation

As at 30 June 2019, the Fund's asset allocation stood as:

Asset Class	FY 2019	FY 2018
Cash	16%	16%
Fixed Interest	17%	13%
Property	3%	3%
Australian Shares	30%	32%
International Shares	25%	27%
Alternatives*	9%	9%

* Alternatives include investments in emerging markets, technical investment trading, commodities and foreign currencies and global infrastructure assets.

Single investments exceeding 5% of Fund assets

As at 30 June 2019, the following asset holdings exceed 5% of total Fund assets:

Investment	Valuation method	% of total assets
National Australia Bank - Cash	Fair Value	15%

Exposure to single enterprise exceeding 5% of Fund assets

As at 30 June 2019, more than 5% of total Fund assets were exposed to the following entities:

Entity	Capacity	% of total assets
National Australia Bank Limited	Cash on deposit	15%
Vanguard Investments	Fund manager	13%
BlackRock Investment Management	Fund manager	7%

Use of Financial Derivatives

The Fund does not invest directly in derivative instruments. Investment managers may use derivatives in managing pooled investment vehicles in which the Trustee invests.

The Trustee allows the use of derivatives within these vehicles, for certain circumstances including but not limited to:

- protecting the assets against or minimise liability from a fluctuation in market values.
- reducing the transaction cost or setting the desired asset allocation or investment profile.
- to obtain prices that may not be available to the Fund in other markets.

Derivatives exposure may also arise when as a result of a capital raising event, such as initial public offerings, placements and rights issues, members receive free options issued on participation.

For further information on the use of financial derivatives, please refer to the relevant underlying disclosure documents for your chosen investment option(s) which are available from your adviser or online via the Mason Stevens Super website at masonstevens.com.au/super.

Reserves

Operational Risk Reserve (ORR)

The Operational Risk Financial Requirement (ORFR) is a requirement of Prudential Standard SPS 114. The ORFR is to specifically cover potential losses arising from operational risks that may affect the Fund's business operations. An operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The ORFR is operated in accordance with the ORFR Strategy. The Fund achieves its ORFR target amount via a combination of an ORR and Trustee Capital. The ORFR may be drawn upon to assist in compensating members of the Fund in the event of an operational risk having materialised.

The ORFR came into place on 3 October 2017. The ORR balance of the Fund as at 30 June 2019 was \$284,000 with an additional \$200,000 of Trustee Capital also provided. The ORR balance is currently invested in cash.

Expense reserve

The Trustee maintains an expense reserve for the purpose of meeting the Fund's operating costs and complies with prudential requirements. The Promoter of the Fund currently pays the majority of operating expenses in relation to the Fund. The Promoter is able to claim back expenses it has paid on behalf of the Fund, from the Expense Reserve.

4] SUPER & TECHNICAL INFORMATION

The regulatory landscape

Several changes to super were passed into legislation during the year, including the Government's "Protecting Your Super" reforms that aim to protect account balances from unnecessary erosion by fees and insurance fees. The following includes other key changes that became effective from 1 July 2019.

Insurance cover to be cancelled on inactive accounts

Insurance cover on inactive super accounts will be automatically cancelled unless you notify us in writing that you want to keep your cover. For insurance purposes, accounts are considered inactive if we have not received a contribution into your account in the last 16 months.

Inactive low-balance accounts to be transferred to the ATO

Inactive accounts with a balance of less than \$6,000 will automatically be transferred to the ATO. Where possible, the ATO will consolidate this balance into an active account you hold with another super fund. For ATO purposes, accounts are considered inactive if, in the last 16 months, we have not received a contribution into your account and you have not made any updates to your account details, such as changing your investment options, insurance cover, or making or amending a binding beneficiary nomination.

Cap on admin and investment fees for low-balance accounts

Total administration fees, investment fees and indirect costs are capped at 3% of your account balance (as calculated at the end of the financial year) for accounts with a balance below \$6,000.

Removal of exit fees

Super funds can no longer charge an exit fee when members exit the fund.

Carry-forward of unused concessional contributions

If you have less than \$500,000 total in super, you can now increase your concessional contribution cap by carrying forward your unused concessional cap space amounts from up to five previous financial years (on a rolling basis). Amounts that have not been used after five years will expire.

Increase to pension work bonus

The pension Work Bonus has increased from \$250 to \$300 per fortnight. This means pensioners can now earn up to \$300 each fortnight without reducing their Age Pension payments. This also applies to self-employed members.

Work test exemption

As of 1 July 2019, people aged 65-74 with a super balance of under \$300,000 will be able to make voluntary contributions to super for the first year that they don't meet the work test requirement. Previously, people aged 65-75 needed to work at least 40 hours within 30 consecutive days in a financial year before we could accept any voluntary contributions from you.

2019 Federal Budget

Each year the Government typically earmarks some legislative changes (with varying degrees of importance) to the superannuation industry for the upcoming financial year. Below are summaries of the key proposals that have been slated to occur, but some have not yet been legislated so details may change. Please speak to your financial adviser for progress updates.

Protecting Your Super reforms – from 1 July 2019

The *Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019* ("the Act") came into effect from 1 July 2019 and includes the following key changes to the superannuation industry:

- Total administration and investment fees and indirect costs are capped at 3% of fund balance (as calculated at the end of the fund year) for accounts with a balance below \$6,000.
- Exit fees to be banned for all MySuper and choice accounts, commencing 1 July 2019.
- All accounts that have balances less than \$6,000 that the member has not interacted with (contributed to, switched investment options, nominated a binding beneficiary, purchased or changed insurance, etc.) in the past 16 months as of an unclaimed money day pursuant to the Superannuation (Unclaimed Money and Lost Members) Regulations must be reported to, and transferred to, the ATO by the next scheduled statement day, from 30 June 2019.
- Trustees must not purchase or maintain insurance for accounts that have not received contributions for the past 16 months (regardless of the balance), unless the member has specifically elected otherwise.

Putting Members' Interests First Bill

The *Treasury Laws Amendment (Putting Members' Interests First) Bill 2019* received royal assent in October 2019 and will prohibit trustees from providing insurance cover to the following members unless they elect to have the cover provided:

- new members to funds on or after 1 October 2019 who are under age 25 years, and
- members who have an account balance under a choice product or MySuper product that has a balance of less than \$6,000 and where the account balance has not been greater \$6,000 at any time on or after 1 July 2019.

5] OTHER IMPORTANT INFORMATION

Compliance

The Fund is administered to comply with the *Superannuation Industry (Supervision) Act 1993* (Cth.) ("SIS") and all other relevant legislation. The Trustee has lodged with APRA all relevant annual returns and disclosure documents. The Trustee has not received a notice from APRA stating that the Fund is non-compliant with relevant law during the reporting period. No penalties have been imposed on the Fund and/or the Trustee from any kind of non-compliance during the 2018/2019 financial year.

Indemnity insurance

The Trustee maintains an appropriate level of professional indemnity insurance to protect its directors and officers from any liability they may incur in carrying out their duties. Protection from liability does not extend to loss incurred through gross negligence or willful misconduct and is subject to the terms of the relevant insurance policy.

Fund rules

The Fund is managed by the Trustee in accordance with the Trust Deed and Rules of the Fund. The Deed permits the Trustee to appoint administrators, auditors, investment managers and advisers to assist with the management of the Fund. The Trustee has exercised this right.

Monitoring contribution caps

Superannuation contributions are subject to contribution caps with strict penalties in place if these limits are exceeded. We do not monitor any contribution caps. It is your responsibility to ensure that you do not exceed these caps through multiple contributions. You should contact your adviser for more information on how the contribution caps may affect your superannuation.

Government Superannuation Surcharge

During the Financial Year, we may have received a surcharge assessment from the Australian Taxation Office ("ATO"). The amount payable in respect of members is deducted from the relevant members' accounts and remitted to the ATO at the time that it falls due. Any amount paid will be shown in your member statement.

How you keep us informed

You should contact the Administrator if you wish to:

- advise us of a change of your name or contact details
- change your beneficiary(ies)
- claim a benefit from the Fund
- receive a copy of the accounts and other Regulatory documents for the Fund.

Contact Mason Stevens Super

Mail: GPO R1237
Royal Exchange NSW 1225

Phone: 1300 491 766

Email: admin@mssuper.com.au

Website: masonstevens.com.au/Super

Inquiries & Complaints

Any inquiries about the Fund should be directed to the Administrator (see contact details provided above). The Trustee has established a procedure for members to make inquiries or lodge complaints relating to the operations or management of the Fund.

Your formal complaint will be registered and acknowledged. The Trustee via the Fund aims to resolve most issues within five business days. However, if the issue is complex it may take longer than five days to properly consider and resolve the issue. If that is the case, you will be kept informed of the progress, including an indication of the steps to be taken to address the matter and the likely timeframe for resolution. The Trustee via the Fund has 90 days to respond to a complaint, however will make every effort to resolve the matter within 30 days of being notified. You will be kept informed of progress with resolving the matter, but if you would like to receive an update on progress, please feel free to also contact the Complaints Officer.

You can make an initial complaint by writing to:

The Complaints Officer – Mason Stevens Super

Mail: GPO R1237
Royal Exchange NSW 1225

Phone: 1300 491 766

Email: admin@mssuper.com.au

If you believe your complaint has not been satisfactorily dealt with, or if you have not received a response from the Trustee via the Fund, within 90 days, you may wish to contact the Australian Financial Complaints Authority (AFCA). The AFCA is an independent body established by the Commonwealth Government to act as an external dispute resolution scheme and, amongst other things, deal with escalated complaints relating to members of a super fund. There is no cost involved for lodging a complaint with AFCA.

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

Australian Financial Complaints Authority

Mail: GPO Box 3
Melbourne VIC 3001

Phone: 1800 931 678 (free call)

Email: info@afca.org.au

Website: afca.org.au

Eligible Rollover Fund (ERF)

The Trustee may transfer your superannuation benefits to an Eligible Rollover Fund (ERF) if:

- you haven't made a contribution within a 12-month period and your balance falls below a minimum amount of \$6,000,
- we lose contact with you and can't locate you, or
- you no longer have a financial adviser appointed in relation to your account.

The ERF we currently use is the Super Money Eligible Rollover Fund (SMERF):

Mail: PO Box 1282
Albury NSW 2640

Phone: 1800 114 380

Email: smerf@diversa.com.au

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

If your benefit is transferred to an ERF:

- you will cease to be a member of the Fund and any associated benefits such as investment choice or insurance cover will cease, and
- you will be unable to make additional contributions to the Fund (or the ERF).

You will need to contact the ERF directly to claim your Superannuation entitlement. If your account is transferred to an ERF, you should obtain a copy of their PDS.

6] FINANCIAL STATEMENTS

Abridged Financial Information

The following financial information is extracted from the Fund's audited financial statements as at 30 June 2019.

Audited financial statements and the auditor's report for the 2019 Financial Year are available on request from the Administrator.

Statement of Financial Position as at 30 June 2019

	2019 \$'000	2018 \$'000
Asset Class		
Cash and cash equivalents	25,174	13,214
Australian listed equities	22,304	11,178
Australian listed trusts	24,434	9,999
International listed equities	7,707	4,844
International listed trusts	15,615	10,496
Units in managed funds	57,024	43,556
Fixed interest securities	2,991	358
Receivables		
Cash in transit	26	1,092
Interest receivable	26	12
Distributions and dividends receivable	1,716	1,608
GST receivable	42	33
Other receivables	11	19
Other assets		
Deferred tax assets	-	26
Total assets	157,070	96,435
Liabilities		
Accounts payable and accrued expenses	484	379
Benefits payable	9	-
Unsettled investment trades	60	-
Current tax liabilities	372	160
Deferred tax liabilities	155	-
Total liabilities excluding member benefits	1,080	539
Net assets available for member benefits	155,990	95,896
Defined contribution member liabilities	155,187	95,784
Total net assets	803	112
Equity		
Operational Risk Reserve	284	99
Expense reserve	132	13
Unallocated surplus	387	-
Total equity (deficit)	803	112

Income Statement for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Superannuation activities		
Distribution income	1,886	1,537
Dividend income	2,076	352
Interest income	190	63
Net changes in fair value of investments	2,115	(301)
Other income	(11)	22
Total net income	6,256	1,673
Less expenses		
Investment expense	387	87
Administration fees	458	91
Adviser fees	887	188
Total expenses	1,732	366
Result from superannuation activities before income tax expense	4,524	1,307
Income tax (expense) / benefit	22	(68)
Result from superannuation activities after income tax expense	4,546	1,239
Net benefits allocated to defined contribution members	3,915	1,140
Operating result after income tax	631	99

Statement of Changes in Member Benefits for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Opening balance of member benefits (as at 1 July)		
Contributions	95,784	-
- Employer contributions	2,193	455
- Member contributions	4,279	1,819
- Government contributions	7	1
Transfers in from other superannuation funds	59,228	94,330
Income tax on contributions	(516)	(76)
Net after tax contributions	65,191	96,529
Benefits to members	(9,618)	(1,864)
Insurance premiums charged to member accounts	(25)	(7)
Reserves transferred to/(from) members		
- Expense reserve	(60)	(13)
Net benefits allocated comprising:		
- Net investment income	5,260	1,580
- Administration expenses	(1,345)	(441)
Closing balance of member benefits (as at 30 June)	155,187	95,784

Statement of Changes in Equity/Reserves for the year ended 30 June 2019

The Fund maintains two reserves: Expense Reserve and the Operational Risk Reserve. These reserves are currently held in cash.

	Expense Reserve \$'000	Operational Risk Reserve \$'000	Unallocated surplus (deficit) \$'000	Total Equity \$'000
Opening balance as at 1 July 2017	-	-	-	-
Operating result	-	99	-	99
Net transfers (to)/from member accounts	13	-	-	13
Closing balance as at 30 June 2018	13	99	-	112
Opening balance as at 1 July 2018	13	99	-	112
Operating result	59	185	387	631
Net transfers (to)/from member accounts	60	-	-	60
Closing balance as at 30 June 2019	132	284	387	803



Mason Stevens Limited

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