

Annual report

For the financial year ending 30 June 2019
 Super Directions Fund
 National Mutual Retirement Fund

Super Directions Fund

Income Insurance Superannuation Plan
 Life Protection Superannuation Plan
 Life Insurance Superannuation Plan
 Retirement Directions Allocated Pension Plan
 Simple Super
 Simple Super Rollover Plan
 Super Directions for Business
 Super Directions for Business Rollover Section
 Super Directions Personal Super Plan
 Tailored Super
 Tailored Super Rollover Plan

National Mutual Retirement Fund

Accelerator Personal Superannuation Plan
 Conventional Superannuation
 Flexible Income Plan
 Flexible Pension Plan
 Flexipol Personal Superannuation
 Goldline Personal Superannuation Plan
 Lifestyle Protection Plan
 Personal Superannuation Bond
 Provider Personal Retirement Plan
 Provider Top Up Retirement Plan
 Retirement Bond
 Retirement Security Plan
 Superannuation Annual Renewable Term
 Superannuation Life Protection Plan

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Welcome from the Chairman



I'm pleased to present N.M. Superannuation Proprietary Limited's annual report for the year ended 30 June 2019.

I joined the board of N.M. Superannuation Proprietary Limited (Trustee Board) in September 2018 and stepped into the role of Chairman in May 2019.

I accepted the role because I believe that we have an important role to play in the financial wellbeing of our members. I acknowledge that it has been a challenging year with significant public and regulatory scrutiny, but I want to assure you the Trustee Board is focused on meeting the expectations you had when you joined the fund.

Our renewed approach

The Trustee Board, along with AMP, are focusing on changing and improving through a number of areas, including:

- maintaining an autonomous and effective trustee
- producing sustainable outcomes for members
- delivering competitive investment returns
- developing successful and appropriate strategic partnerships.

We've recently appointed two highly accomplished directors Catherine McDowell and Stephen Roberts and intend to expand the Board from four to seven people.

And I extend my personal thanks to the retiring directors Louise Dudley, Cathy Doyle, and in particular the previous Chair Rick Allert, for their commitment and service.

Your feedback is welcome

Thank you for choosing AMP to help you achieve your financial goals. Keep reading to find more information on the fund and its management plus recent superannuation and industry developments.

If you have any questions about your super account please contact us on the numbers listed in the **Contact us** section of this report.

Tony Brain

Interim Chair, N.M. Superannuation Proprietary Limited

Important information

The purpose of this annual report is to provide information about the operation of the funds as a whole, including:

- management
- financial position
- compliance with relevant statutory requirements, and
- any changes or developments that may affect members' benefits.

Some of the information contained in this report may not be relevant to members of both funds and all products covered by this report. Where applicable, the information specific to a fund(s) and/or product(s) will be identified, otherwise the sections apply to both funds and all products.

This annual report does not take into account your financial situation, objectives or needs. Therefore, it is important you consider the appropriateness of this information having regard to these matters before making any investment decision based on the information contained in this annual report. We recommend that any person seeking to rely on this information obtains independent advice.

All benefits under the funds are provided by means of life insurance policies. The terms and conditions of these policies differ according to the products they support. Please note that the following products do not have an investment component:

- Income Insurance Superannuation Plan
- Life Protection Superannuation Plan
- Life Insurance Superannuation Plans
- Lifestyle Protection Plan
- Superannuation Annual Renewable Term
- Superannuation Life Protection Plan.

You can refer to your latest annual statement to confirm what product(s) you hold and which fund you are a member of.

Your annual statement provides information relating to your benefit entitlements including:

- cash amounts received during the year
- contributions made by you or your employer
- earnings credited
- expenses deducted, and
- your investment portfolio(s) and the performance of the portfolio(s).

You will receive your annual statement soon after each anniversary of your policy/plan. It is recommended that you read this report in conjunction with your latest annual statement.

In this annual report unless specified otherwise:

- 'AMP Capital' means AMP Capital Investors Limited (ABN 59 001 777 591, AFSL No. 232497)
- 'AMP Life' means AMP Life Limited (ABN 84 079 300 379, AFSL No. 233671)
- 'AMPCFM' means AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL No. 426455)
- 'ipac' means ipac asset management limited (ABN 22 003 257 225, AFSL No. 234655)
- 'NMF' means National Mutual Funds Limited (ABN 32 006 787 720, AFSL No. 234652)
- 'N.M. Super' means N.M. Superannuation Proprietary Limited (ABN 31 008 428 322, AFSL No 234654)
- 'we', 'us', 'our' and 'the trustee' mean N.M. Superannuation Pty Limited (N.M. Super)
- 'you', 'your' refers to the member of the plan or holder of the account
- 'fund' means the Super Directions Fund and the National Mutual Retirement Fund
- 'plan' refers to your plan or your account in the fund.

Super fund information

The trustee

The trustee of each fund is N.M. Super, which is a wholly owned subsidiary of AMP Life¹. N.M. Super has been granted a licence by the Australian Prudential Regulation Authority (APRA) to act as trustee.

The trustee:

- is responsible for all aspects of the operation of the fund
- is responsible for ensuring that the fund is properly administered in accordance with the trust deed and policy documents, and
- ensures that the fund complies with relevant legislation, that all members' benefits are calculated correctly and that members are kept informed of the operations of the fund.

The trustee may amend the trust deed of the fund following changes to the law or to introduce new features. The trustee can only amend the trust deed of the fund with the consent of AMP Life. For a copy of the trust deed of the fund please contact us, or download from amp.com.au/trustee-information.

The board of directors

The directors of N.M. Super are also directors of AMP Superannuation Limited, which is another superannuation trustee and also part of the AMP group. The boards of each trustee maintain a framework for the management of conflicts of interest and conflicts of duties, which is documented in the **Conflicts Management Policy**. The framework provides for the identification, recording, management and monitoring of conflicts in accordance with applicable laws and regulations. The directors during the fund's financial year were:

Rick Allert (AO), Independent Non-Executive Chairman FCA

Louise Dudley, Independent Non-Executive Director BCom, CA, GAICD

Darryl Mackay, Non-Executive Director BSc, FIAA, MAICD

Tony Brain, Interim Chairman B Com, CAANZ, ASFA Certificate IV Superannuation, GAICD, FAIST

Cathy Doyle, Independent Non-Executive Director B SocSc, Grad Dip Psy, Grad Dip VET, MBA, GAICD, GAIST, Cert Governance.

More information on the trustee, including profiles of the directors and governing policies, is available at amp.com.au/trusteedetails.

N.M. Superannuation Pty Ltd - Board meeting attendance 12 months to 30 June 2019

	Held while member	Attended while member
Rick Allert (retired 09/05/2019)	20	20
Louise Dudley (retired 14/06/2019)	24	23
Darryl Mackay	25	25
Tony Brain	21	21
Cathy Doyle	20	20

The funds

The funds are registered with APRA and each fund is a resident regulated superannuation fund within the meaning of the Superannuation Industry (Supervision) (SIS) Act. The funds are complying superannuation funds for the purposes of the Income Tax Assessment Act, constituted under a deed.

Each fund can accept transfers and rollovers as permitted by the trust deed and rules of the fund. Upon receipt of any transfers and rollovers, we will maintain and preserve the benefits in the fund to the extent required by the SIS Act and Regulations.

Each trust deed complies with the preservation and portability standards imposed on complying superannuation funds under the SIS Act and Regulations.

The trustee also maintains indemnity insurance for protection against losses that may occur as a result of a claim against it for breach of professional duty.

1 In July 2019, the ownership of N.M. Super changed to AMP Wealth Management Holdings Pty Ltd, which is a member of the AMP group.

Amendments to the trust deeds

The trustee may amend the trust deed of the fund following changes to the law or to introduce new features. There were no amendments to the National Mutual Retirement Fund trust deed this year.

The following amendment was made to the Super Directions Fund effective 5 September 2018 with the change in **bold**.

When will my binding or non-lapsing nomination be treated as a non-binding nomination?

We will automatically treat your nomination as though it was a non-binding nomination if:

- you and/or your witnesses don't sign or complete the binding nomination, or non-lapsing nomination correctly
- you have a binding nomination and three years have passed from the date you signed the binding nomination form (you will need to reconfirm your nomination every three years if you want to continue to have a binding nomination)
- any nominated beneficiary dies before you die
- any nominated beneficiary (other than the legal personal representative) is not a dependant at the date of your death
- your relationship changes after signing the binding nomination form or the non-lapsing nomination form, eg you get married (**unless you marry your nominated de facto**), enter into a de facto relationship, get divorced or your de facto relationship ends.

Financial condition of the funds

The assets of each fund are invested in life insurance policies held by AMP Life and therefore under superannuation legislation we are not required to provide the financial reporting in this annual report.

If you require a copy of the financial report for a fund, please contact us and a copy will be provided free of charge.

Relationship between the trustee and other service providers

From time to time, the trustee may engage companies within and outside of the AMP group to provide services in relation to the funds. The trustee may change these service providers at any time without notifying you.

The trustee invests in a wide range of investment options. AMP Capital, AMPCFM, ipac and NMFm are members of the AMP group and are also the responsible entities for a number of these investment funds.

AMPCFM, ipac and NMFm are responsible for the selection and ongoing monitoring of fund managers for investments operated by them, and are entitled to change their underlying fund managers or asset allocations at any time without notice to members.

Where the trustee invests money of the fund, it must deal with the other party to the transaction at arm's length or on arm's length terms.

Benefits provided under the funds

As trustee of the funds, it's our responsibility to ensure that all benefits arising from the funds are paid to members, members' dependants or their legal personal representative (in the event of death) in strict conformity with the trust deed of the applicable fund and the requirements of all applicable laws.

The benefit that will ultimately be paid to a member (or to their dependant(s) or legal personal representative) will equal the value of the applicable life insurance policy and any insurance proceeds at the time the benefit is payable, less any government tax, outstanding contributions or charges. The precise value of a member's benefit is dependent upon factors such as the policy and the type of event (eg retirement, death, permanent incapacity or transfer to another fund).

To determine what amounts are payable to you and under which circumstances these amounts will become payable, we recommend that you refer to your last annual statement or offer document (eg product disclosure statement (PDS), key features statement or policy document) and speak to your financial adviser or our Customer Service Centre on the numbers listed in the **Contact us** section of this report.

Super news

Update on government legislation

Please be advised that while the following updates are as a result of changes to superannuation and taxation law, not all are available or applicable to all products. For more information, please contact your financial adviser or AMP.

Changes to personal income tax rates

The government previously announced and legislated tax cuts in the 2018 budget. In the 2019 budget, the government proposed a combination of changes to tax offsets, marginal rates and income tax brackets, which have become law.

For the 2018/19 to 2021/22 financial years (inclusive), tax payable by low to middle income earners will reduce by up to \$1,080 (up from the \$530 in the 2018 federal budget), when compared to the 2017/18 financial year.

Further changes have been legislated to reduce tax payable by individuals from 1 July 2022 as outlined in the table below.

Marginal tax rate (%) ⁽ⁱ⁾	Thresholds - income range from 1 July 2018 (\$)	Thresholds - income range from 1 July 2022 (\$)
0	0 – 18,200	0 – 18,200
19	18,201 – 37,000	18,201 – 45,000
32.5	37,001 – 90,000	45,001 – 120,000
37	90,001 – 180,000	120,001 – 180,000
45	>180,000	>180,000
Low and middle income tax offset	Up to 1,080	n/a
Low income tax offset	Up to 445	Up to 700

(i) Excluding 2% Medicare Levy

Additional changes to tax rates have been legislated from 1 July 2024 onwards. For further information see ato.gov.au.

Superannuation Guarantee (SG) rate – no change

The SG rate will remain at 9.5% until 30 June 2021, and will then increase by 0.5% each year until it reaches 12% from 1 July 2025.

Super thresholds for the 2019/20 financial year

The following super and taxation threshold amounts apply during the 2019/20 financial year.

Threshold	From 1 July 2019
Standard concessional contributions cap (per annum)	\$25,000
Non-concessional contributions cap	
– Standard (per annum) ⁽ⁱ⁾	\$100,000
– Bring forward (over 3 years) before age 65 ⁽ⁱⁱ⁾	\$300,000
SG maximum contribution base (per quarter)	\$55,270
Government co-contributions ⁽ⁱⁱⁱ⁾ (per annum)	
– Lower income threshold	\$38,564
– Higher income threshold	\$53,564
Tax free part of genuine redundancy and approved early retirement scheme payments (per payment)	
– Base limit	\$10,638
– Plus for each completed year of service	\$5,320
Low rate cap amount (lifetime limit)	\$210,000
(previously known as post June 1983 low tax threshold) Applies to the taxable component of taxed super fund benefits for members from preservation age to age 59	
Untaxed plan cap amount	\$1,515,000
Applies to the taxable component of untaxed super fund benefits	
Employment termination payment cap (ETP) (per annum)	\$210,000
Capital gains tax (CGT) cap amount (lifetime limit)	\$1,515,000
Transfer balance cap	\$1,600,000
Defined Benefit income cap	\$100,000
Maximum adjusted taxable income for the full government low income super tax offset (LISTO)	\$37,000

(i) The cap is nil for members with a total superannuation balance of over \$1.6 million (at 30 June of the year before making the contribution).

(ii) There are restrictions on the ability to trigger bring forward rules for certain people with total superannuation balances of more than \$1.4 million (at 30 June of the year before making the contribution).

(iii) The maximum entitlement remains at \$500 and applies where at least \$1,000 non-concessional contributions have been made in the financial year and the person does not exceed the lower income threshold.

Contributing to super after you're 65

To contribute to super between the ages of 65 and 74 you must generally meet gainful employment requirements (more commonly known as the work test) or you qualify for the work test exemption (which applies from 1 July 2019).

You are gainfully employed if, at the time of the contribution, you have worked for gain or reward for at least 40 hours within a period of 30 consecutive days in that financial year.

You meet the requirements of the work test exemption if you satisfy the following conditions:

- You aren't gainfully employed in the financial year you make the contribution, and
- You were gainfully employed in the previous financial year, and
- Your total super balance was below \$300,000 on 30 June of the previous financial year, and
- You have not previously made contributions to super under the work test exemption.

Unused concessional contributions carry forward

The 2019/20 financial year is the first year you can carry forward unused concessional contributions accrued from the 2018/19 financial year if you have a total superannuation balance of less than \$500,000 on 30 June 2019.

If your superannuation fund(s) received less than \$25,000 in concessional contributions in 2018/19, you can effectively carry forward the difference to increase your concessional contributions cap in 2019/20, providing your total superannuation balance on 30 June 2019 was below \$500,000.

Removal of exit fees from 1 July 2019

Before 1 July 2019, exit fees applied for the following products - Simple Super, Simple Super Rollover Plan, Tailored Super, Tailored Super Rollover Plan, Retirement Bond and Super Directions Personal Super Plan.

Exit fees will no longer apply when you withdraw part or all of your super from your account. These fees will either be removed or refunded to your account.

Capped fees for low balance accounts effective from 2019/20 financial year

If your super account balance is less than \$6,000 at the end of the fund's income year (30 June), the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3%. A pro rata fee cap will also apply if your account balance is less than \$6,000 immediately before you exit the fund. Amounts charged in excess of the cap will be refunded.

Transferring low balance accounts to the Australian Taxation Office (ATO)

From 30 June 2019, we will generally be required to transfer all or part of a super account to the ATO if the balance is less than \$6,000, the account has no insurance and there have been no contributions or rollovers for a period of 16 continuous months. Exit fees will not be charged. If your account is transferred, you will be able to reclaim this from the ATO. The ATO will proactively seek to transfer monies to an active super account held by you. For further details about transferring inactive low balance super accounts to the ATO visit ato.gov.au.

Insurance cancellation

From 1 July 2019, we are required by law to cease providing the insurance benefit in your super account if no contributions or rollovers have been received into your account for a continuous period of 16 months, unless you have told us in writing that you want to keep your insurance. You can make an election to keep your insurance online at amp.com.au.

Additional changes mean that from 1 April 2020, we may also be required to cease providing the insurance benefit in your super account if the account balance is below \$6,000, unless you tell us in writing that you want to keep your insurance.

Before cancelling your insurance we will send you a notice including details of how you can elect to keep your cover.

Product news

Product updates

Fees

The fees and charges that are levied against a member's contributions to a fund and the balance of their account will depend on the type of policy held on their behalf and the particular conditions of that policy. We recommend that you refer to your annual statement, offer document or policy document for specific details on fees and charges.

Insurance eligibility – members entitled to income support benefits

Super Directions for Business, Simple Super and Tailored Super

Any employee who was provided with Total and Permanent Disablement insurance cover as at 1 January 2014 as an existing MySuper member with no cover or death only cover, was NOT eligible for that cover if, at the time they were initially provided with the cover, they:

1. were in receipt of, or
2. were eligible to claim,

income support benefits from any source including, but not limited to workers compensation benefits, statutory transport accident benefits and disability income benefits.

If this could apply to you or if you have any questions in relation to this matter, please contact us or your financial adviser.

Members who joined from 30 September 2017 should refer to the new '**At Work**' definition below:

At Work means the person was properly performing all his or her normal and usual duties of paid employment, or would have been had the relevant day not been a public holiday, weekend or a day of leave other than due to injury or sickness.

A person who does not meet this definition is correspondingly described as being not At Work.

Annual indexation of fees

Super Directions Fund

Certain fees and thresholds affecting fees are subject to indexation on 1 March or 1 July of each year in line with movements in CPI or Average Weekly Ordinary Time Earnings (AWOTE) (all employees). For more information regarding indexation of fees at 1 July, please refer to amp.com.au.

The changes for affected products that occurred at 1 March 2019 are included below.

Super Directions Personal Super Plan

		From 1 March 2019		From 1 March 2018	
Fees	Small account balance fee	Nil		Nil	
	Balances less than \$10,000	\$7.35 per month		\$7.15 per month	
	Balances between \$10,001 and \$15,000	\$3.68 per month		\$3.58 per month	
Thresholds	Large account balance rebate per annum	First \$86,000	Nil	First \$84,000	Nil
		Next \$86,000	0.20%	Next \$84,000	0.20%
		Next \$172,000	0.35%	Next \$168,000	0.35%
		Balance over \$344,000	0.50%	Balance above \$336,000	0.50%

Retirement Directions Allocated Pension Plan

		From 1 March 2019		From 1 March 2018	
Thresholds	Large account balances rebate per annum	First \$240,000	Nil	First \$234,000	Nil
		Next \$156,000	0.20%	Next \$153,000	0.20%
		Next \$156,000	0.35%	Next \$153,000	0.35%
		Balance above \$552,000	0.50%	Balance above \$540,000	0.50%

National Mutual Retirement Fund

Certain fees and thresholds affecting fees are subject to indexation in accordance with the increases in CPI for the preceding 12-month period.

The changes for affected products that occur at 1 October 2019 are included below.

Goldline Personal Superannuation Plan

The quarterly administration charge was increased as follows:

Administration charge component	From 1 October 2019	From 1 October 2018
Base quarterly administration charge	\$17.46 plus	\$17.25 plus
Contractual annual premium charge	0.525% per quarter (policies with contractual annual premiums over \$3,200 will have their administration charge calculated using a maximum of \$3,200)	0.525% per quarter (policies with contractual annual premiums over \$3,160 will have their administration charge calculated using a maximum of \$3,160)

For example, the quarterly administration charge for a member with a Goldline Personal Superannuation Plan making an annual contractual premium of \$4,000 will be \$33.84 per quarter, \$17.25 + (\$3,160 x 0.525%), from 1 October 2018, increasing from \$34.26 per quarter, \$17.46 + (\$3,200 x 0.525%).

Other fees and charges apply.

Provider Personal Retirement Plan and Provider Top Up Retirement Plan

The monthly policy fees were increased as follows:

Product	From 1 October 2019	From 1 October 2018
Provider Personal Retirement Plan	\$6.14 per month	\$6.07 per month
Provider Top Up Retirement Plan	\$6.14 per month	\$6.07 per month

Note that other fees and charges apply.

Retirement Security Plan

As disclosed in the policy document for Series 4, we reserve the right to increase the policy fee (also referred to as annual charge) in line with increases in the CPI. We did not increase the policy fee at 1 July 2019.

Product information

Investment option switch request

All investment switches will be processed with an effective date of one business day after the request was received (ie if received on Friday, Monday's date must be used). A member can't cancel a request submitted to us after 4 pm Melbourne time on the day it is received.

Additional asset charge

Simple Super and Tailored Super

For members with a membership commencement date prior to 26 April 1994, an additional fee of 1% pa on the account balance applies when the member elects to remain in the fund and no longer contributes, ie the status of the account is made 'paid up'. This increased fee will be effective on the date the member is made 'paid up'.

Super Directions for Business Rollover Section

If you are a member of a Super Directions for Business, Simple Super or Tailored Super employer plan and you leave your employer, the trustee will automatically transfer your benefit to the Super Directions for Business Rollover Section (Rollover Section).

Although you will no longer be a member of your employer's plan, you will be a member of the Rollover Section in your own right.

For more information about the Rollover Section, refer to the PDS of the product you hold. The latest PDSs can be found at amp.com.au.

Plan reserves

Super Directions for Business, Simple Super and Tailored Super

The plan reserve account management strategy

The trustee has established within the fund a reserve account for each principal employer. Each principal employer's reserve account may consist of two sub accounts. They are:

- plan reserve account — any balance in this account will be invested in the Multi-manager Secure portfolio (Super Directions for Business) or the Guaranteed Plus portfolio (Simple Super and Tailored Super).
- plan reserve transfer account — any balance in this account may be invested in any of the currently available investment portfolios, except for Multi-manager Australian Equities and Multi-manager International Equities (Super Directions for Business) or Australian Equities, International Equities, Property and Diversified Fixed Interest (Simple Super and Tailored Super). The default investment portfolio for this sub account is the same as the plan reserve account.

Money received into the plan reserve accounts

Any non-vested portion of benefits upon leaving the service will be credited to the plan reserve account.

Any surplus amounts transferred into the fund from other funds will be credited to the plan reserve transfer account.

Plan reserve account distribution

The trust deed provides the trustee's preferred method for distributing the plan reserve account and this will be the default method where an alternative method is not requested by the employer. The preferred method seeks to apportion a member's share of the plan reserve account balance according to the proportion of member's assets relative to total plan assets. Other formula(s) may be created, but must be reasonable and requires trustee approval.

Employers are provided with an annual update on the movement of plan reserves. This will be automatically distributed to employers unless the employer would like the trustee to consider another method of distribution.

For further information on your plan's plan reserve account, please contact our Customer Service Centre on 133 056.

Is a policy committee required?

Super Directions for Business, Simple Super and Tailored Super

A policy committee acts as a channel of communication between members, employers and the trustee. A policy committee's function is generally of an advisory nature. The ultimate responsibility for the operation of the fund rests with the trustee. Policy committees are required under SIS for certain super funds.

If you are self-employed or if your employer's plan has less than 5 members, a policy committee is not required. If your plan has between 5 and 49 members, a policy committee will only be set up if at least 5 members ask for one in writing. For plans with 50 or more members, the trustee must take all reasonable steps to ensure a policy committee is established.

For those plans where a policy committee has been established, the details of the employer-appointed and the member-elected representatives for your plan will be included on your annual statement.

Generally, the member representatives have been elected by members for a term of three years and may be removed by election or by leaving the plan. Employer representatives have been appointed by your employer and may be removed by your employer at any time.

Full details of your plan's appointment and removal procedures can be obtained from your policy committee representatives or your plan's financial adviser.

If your plan does not have a policy committee and you feel that one should be established, please send a written request to the trustee. Steps will be taken to form a policy committee if the trustee receives requests from, or on behalf of 5, or more members or if the plan has 50 or more members.

Conventional superannuation

For benefits backed by a Whole of Life or Endowment policy, the explanation of how earnings are allocated is given below.

Allocation of earnings

The distribution of profit (in the form of bonuses) is made in accordance with the *Life Insurance Act 1995*. Under this Act, AMP's actuary regularly assesses the strength of the AMP Life's No. 1 Statutory Fund and advises how much policy owner profit it can prudently pay out, and how to share it fairly among different groups of policies.

Bonuses are only paid to members who hold a participating policy.

In determining the bonus rates, the actuary not only considers the recent investment performance, but also likely future investment return, estimated future rates of mortality, assumed rates of taxes, fees and other expenses.

There are two types of bonuses – **annual bonuses** and **end bonuses**.

Annual bonuses

Annual bonuses are allocated to plans each year as additions to the sum insured. As the rate of bonus is dependent on AMP's investment experience and our estimates of future experience (including future investment returns), annual bonuses may fluctuate from year to year. However, once allocated they are guaranteed and payable in full when the sum insured becomes payable on death or maturity.

End bonuses

End bonuses are currently paid in addition to annual bonuses on maturity, death or total and permanent disablement claims (where appropriate) on plans that have been in force for five years or more. These bonuses are not guaranteed and can be decreased, as they are used to pass on the value of more volatile investment returns.

Investment objective and strategy

The investment aim is to provide returns (after fees and before tax) that exceed inflation over the longer term, but with lower returns and less variability of returns than would be expected from an investment option with the same exposure to bonds, cash, shares and property.

The investment strategy is to invest in a diversified portfolio.

Changes to investments can be made according to the outlook for the various investment sectors and the nature of the plan.

The long-term strategic mix of assets that back conventional superannuation are usually in the following ranges:

Shares and alternative investments	15–50%
Property and infrastructure	10–25%
Fixed interest and cash	30–70%

AMP may alter the strategic mix of assets that back the plan at any time without notice to you.

Understanding your investments

Trustee's investment objectives and strategy

The investment objective is to offer a range of investment choices to suit various members' risk return profiles depending on your account or plan. These include:

- investment-linked benefits with access to a range of investment choices to suit various members' risk return profiles and may include diversified and single sector investment options
- investment-linked benefits with no investment choice
- insurance and investment benefits within a Whole of Life or Endowment insurance policy
- insurance cover within a superannuation fund but no investment-linked benefits
- employer-sponsored plans (including default investment options)
- individual personal plans, or
- a retirement income stream.

Detailed investment strategies are implemented either through holding group superannuation policies issued by AMP Life (policies) that provide access to a range of investment options or through holding life policies issued by AMP Life that provide one of the above benefits or insurance cover for each member.

The trustee monitors the investment performance of investment options to ensure investment objectives are met.

Investment portfolios

The name of the current investment portfolio(s) you have selected will be shown on your latest annual statement.

The funds offer a range of investment portfolios via life insurance policies issued by AMP Life. The investment portfolios in your product depend on the type of policy held. Your selection of investment portfolio(s) will be subject to the terms and conditions as outlined in the offer document or insurance policy.

For details of the investment options available, including their aims and strategies, please see amp.com.au or go to **My AMP**. For the aims and strategies of closed investment options, please see the **investment report** on amp.com.au/amp/performance. Past performance should not be taken as an indicator of future performance.

AMP Life, in conjunction with ipac (for multi-manager portfolios), may change the fund managers or the allocation to the individual managers, at any time. This action may be taken to ensure that the most appropriate investment managers are used. The performance of the investment managers will be reviewed at least annually.

For an up-to-date list of current fund managers please visit amp.com.au.

Default portfolio

Super Directions for Business, Simple Super and Tailored Super

You will automatically be invested in the AMP SDF MySuper investment portfolio if you do not make an investment portfolio nomination. Your super will be invested in the AMP SDF MySuper age group option for your decade of birth.

Portfolio switching

For all investment portfolios, except Security Plus, Guaranteed Plus and Protection portfolios, there is a margin between the buy unit price and the sell unit price (in some cases the margin may be nil). Buy unit prices are applied whenever money is invested, including when new contributions are made and when switching into another portfolio. Sell unit prices are applied to all redemptions of units including switching out of a portfolio.

Switches from Primary portfolios (those selected before 26 April 1994) within Simple Super and Tailored Super may occur at any time at a reduced margin. That is, units are cashed at mid-point prices (being the halfway point between the buy and sell price of the portfolio) and go into the new portfolio at the buy price.

There is no entry cost when switching into the Guaranteed, Security Plus or Guaranteed Plus portfolios. However, when switching from the Guaranteed or Security Plus portfolios, the total amount available is the lesser of the monetary value of your account balance and the release value of the investments at the time.

A switching fee may apply for some products.

Switching on Death or Total and Permanent Disablement (TPD)

The trustee will switch the balance of a member's account from the nominated investment portfolio(s) to protect the value of the account for certain products as follows:

- **Super Directions for Business and Super Directions for Business Rollover section** – on receipt of notification of the death of a member in the form of an official document or upon acceptance of a claim in relation to the TPD of a member, the trustee will switch the balance of a member's account to the Multi-manager Secure portfolio.
- **Super Directions Personal Super Plan** – on receipt of written notification of the death of a member in the form of an official document, the trustee will switch the balance of a member's account to the Cash portfolio.
- **Simple Super, Simple Super Rollover Plan, Tailored Super and Tailored Super Rollover Plan** – on receipt of notification of the death of a member in the form of an official document or upon acceptance of a claim in relation to the TPD of a member, the trustee will switch the balance of a member's account to the Guaranteed Plus portfolio.

Allotment of earnings

Earnings under the Fully Guaranteed, Capital Guaranteed and Guaranteed Plus portfolios (the investment account portfolios) are credited by declaring an interest (crediting) rate. As actual earnings of these portfolios can vary from period to period, the declared interest rate is a smoothed allocation of these earnings. The rate is declared net of tax and any investment charges.

For the investment-linked portfolios, earnings are reflected in the movement of unit prices and may vary as unit prices move up and down in line with the investment performance of each portfolio. Unit prices, and thus the earnings, are declared net of tax and investment charges.

In the case of the Guaranteed and Security Plus portfolios, earnings are calculated using both methods and separate balances are maintained based on interest credited (the monetary balance) and market-linked performance (the market-linked balance). The lesser of the two balances is used to determine the amount available for payment or switching. AMP Life, at its sole discretion, may agree to disregard the market-linked balance when determining the amount payable under the policy.

Investment advice

Where more than one investment portfolio is provided, subject to the conditions of the policy, you may change the investment portfolio(s) to which your contributions are being directed and/or switch from one or more portfolio(s) at any time.

If you do not have sufficient financial expertise, we recommend that you seek professional advice before making your investment choices and review those choices on a regular basis. Neither the trustee nor AMP Life provides any guarantee of performance or capital unless specifically stated.

Investment returns

While returns for individual investment portfolios can vary widely from year to year, it's important to remember that super is a long-term investment, and the focus should not be on the returns for only one year. The average investment returns to 30 June 2019 reflect the long-term performance of the portfolios. Long-term returns are the annualised returns for the five years and ten years (where available) ending 30 June 2019.

The performance shown is based on movements in the sell unit price of the investment-linked portfolios, and the crediting rates of the investment account portfolios (including Guaranteed and Security Plus) and consequently excludes the effect of the buy/sell margin. Past performance should not be taken as an indicator of future performance.

For further information regarding the investment return(s) and performance applicable to your plan/policy, please refer to your annual statement, offer document/PDS, policy document, or amp.com.au.

Explanation of asset classes

Growth assets are return-seeking assets that are used to achieve higher capital growth as a result of taking on a higher level of risk. Major categories of growth assets include:

- **International equities**, which are shares in companies listed outside of Australia. They include companies listed in developed markets such as the US, UK, Japan, and Western Europe. They may also include specific allocations to listed companies in emerging economies and smaller companies located throughout the world. Returns are usually in the form of share price appreciation or depreciation, income from dividends, and currency fluctuations. To mitigate some of the currency risk inherent in holding offshore assets such as international equities, foreign currency exposure may be partially or fully hedged back to the Australian dollar.

- **Domestic equities**, which are shares of companies listed on the Australian share market that are representative of different industries within the Australian economy. Returns usually come in the form of share price appreciation or depreciation, and income from dividends.
- **Property** may include property investments listed on the Australian share market, global securities exchanges, and unlisted property trusts. Returns usually come from changes in value, as well as income generated from the underlying assets. To protect members from currency movements, any allocation made by AMP Life or ipac to global property will generally be fully hedged.
- **Alternative growth assets** fall outside the usual asset classes and are generally not accessible through listed markets or in an unbundled form, eg private equity, infrastructure, and property-related debt. These assets play both a diversifying and return-seeking role in the portfolio with a similar expected return to that of shares and expected volatility between that of bonds and stocks.

Defensive assets are income-producing assets that allow investors to take on a lower level of risk – usually generating a lower level of return as a result.

- **Cash** may include bank deposits, government, and bank guaranteed securities, and promissory notes issued by major corporations with acceptable credit ratings. Returns are usually in the form of interest payments.
- **Fixed interest** includes government and semi-government bonds, corporate fixed interest and floating interest rate securities issued by Australian or overseas governments or enterprises. They usually provide a stable income stream, with the potential for some capital growth or loss if the asset is traded before maturity.
- **Alternative defensive assets** include strategies that rely predominantly on manager skill and include single strategy hedge funds and multi-strategy hedge funds. These assets have a lower correlation with other asset classes and are independent of market direction. Consequently, their inclusion reduces portfolio risk.

The overall foreign currency exposure of the portfolio may be partially hedged back to the Australian dollar.

Other information

Transfer to AMP Eligible Rollover Fund

If we cannot locate you, or if your account is closed and we need to make a compensation payment to you, we may establish an AMP Eligible Rollover Fund account for you.

Having an account created in or being transferred to AMP Eligible Rollover Fund means:

- you will become a member of AMP Eligible Rollover Fund and be subject to its governing rules
- your benefits will be invested in a capital guaranteed ‘participating’ life insurance policy issued to AMP Superannuation Limited by AMP Life
- your returns (by way of a crediting rate) are credited annually to your AMP Eligible Rollover Fund account based on your daily account balance and are guaranteed by AMP Life to never be negative. Crediting rates are determined after deducting fund expenses from the net investment returns allocated to the member. For the latest AMP Eligible Rollover Fund crediting rates visit amp.com.au/erf or call us on 131 267
- no insurance cover is available.

The product disclosure statement (PDS) for AMP Eligible Rollover Fund is issued by AMP Superannuation Limited. You can obtain a copy of the PDS by asking your financial adviser, visiting amp.com.au/erf or by calling us on 131 267.

If you have an account in AMP Eligible Rollover Fund you are advised to consider the PDS and to consult a financial adviser to determine how appropriate an investment in the product is to your objectives, financial situation and needs.

Contact details for AMP Eligible Rollover Fund are:

AMP Eligible Rollover Fund
PO Box 300
PARRAMATTA NSW 2124
Phone: 131 267
Fax: 1300 301 267

Unclaimed super money

If an amount is payable to you or your dependent(s) and we are unable to ensure that you or your dependent(s) will receive it, we may be obliged to transfer the amount to the ATO.

We may also be required to transfer your account balance to the ATO if you become a ‘lost member’, or an ‘inactive low-balance member’.

If your superannuation is transferred to the ATO, you, or your dependents where relevant, will be able to reclaim it from the ATO. The ATO may also transfer money it holds into your ‘active’ superannuation accounts.

For more information on unclaimed super money, including lost members and inactive low balance members please refer to ato.gov.au or speak with your financial adviser.

Temporary residents

The following does not apply to Australian citizens, Australian residents or New Zealand residents and is limited to eligible visa holders. If you have entered Australia on an eligible temporary resident visa, you may claim your super benefits once you have permanently departed Australia.

Under super legislation if you do not claim your benefit within six months of departing Australia, your benefit may be paid as unclaimed super to the ATO.

You will not receive notification or an exit statement from your super fund. If this has occurred, you can claim your super money from the ATO. For more information visit ato.gov.au.

Checking your employer contributions

For most employees, your employer has to contribute to superannuation for you under the superannuation guarantee rules. Requirements under some industrial awards or workplace agreement may also apply.

We consider members are in the best position to verify the amount and frequency of contributions that should be made to their super as we do not know what other super funds your employer may contribute to.

You can check the amount and frequency of contributions made to your account by referring to your annual member statement or login to your **My AMP** account online at amp.com.au.

Deceased Member policy

All insurance premium deductions are ceased upon notification to the relevant trustee of a member's death and will be reversed back to the date of death.

All adviser service fee deductions (if applicable) are ceased upon notification to the relevant trustee of a member's death. Any adviser service fees deducted since the date of death will be reversed back to date of death.

Product administration and investment management fees will continue whilst the deceased member's account remains open and are charged in accordance with the applicable product rules and disclosures.

Significant event notice register available

This register provides a summary of significant event and material change notifications issued to members of the Super Directions Fund and the National Mutual Retirement Fund on behalf of N.M. Superannuation Proprietary Limited for the last two years. The register is provided for information purposes, as required by legislation. All affected members are contacted directly within the timeframe prescribed by legislation and provided with additional information, as appropriate.

You can view this online at amp.com.au/trustee-information.

Compensation

There may be circumstances in which the trustee needs to pay compensation to members. There are four key principles that guide the trustee's payment of compensation to current and former members:

- the trustee should not benefit
- other members do not bear the cost of compensation
- compensation is paid to members in a manner that minimises the cost and inconvenience to those members receiving the compensation, and
- communication should be provided to affected members in all circumstances where the member would reasonably expect to be notified.

The trustee may decide not to pay compensation to current or former members where it considers the individual compensation amounts small.

MySuper dashboard

My Super dashboard are available for the following products:

- Super Directions for Business
- Super Directions for Business Rollover Section
- Simple Super, and
- Tailored Super.

Our product dashboards provide a summary of the investment performance, risk and fees for AMP's MySuper options. MySuper is a simple default investment option for people who haven't made an active choice about how their super is invested.

You can view these dashboards online at amp.com.au/mysuper.

How you can stay informed

You can stay informed about your superannuation by calling us on the numbers listed in the **Contact us** section of this report. You can also check your account balance and investments by logging into **My AMP** or downloading the **My AMP** app.

Account balance and investment information	amp.com.au to login or register for your My AMP online account.
Investment option performance, unit prices, crediting rates and reports	amp.com.au
Market updates	amp.com.au/marketupdates
Forms	amp.com.au/forms

Enquiries and complaints process

If you need any additional information about the operation or management of your account, or if you have a concern or complaint, then please contact your financial adviser or us on the details in the **Contact us** section of this report.

Our customer service officers are available to answer your enquiries and respond to your complaints. We will try to resolve your enquiry or complaint as quickly as possible. To help us do this, please give us as much information as possible about your enquiry or complaint.

We have established procedures to deal with any complaints. If you make a complaint, we will:

- acknowledge its receipt and ensure an appropriate person properly considers the complaint, and
- respond to you as soon as we can.

If your complaint cannot be resolved at first contact, then we will keep you advised at regular intervals of the status of your complaint.

If we cannot resolve your complaint to your satisfaction or you have not had a response from us within 90 days, then you may have the right to lodge a complaint with the Australian Financial Complaints Authority (AFCA).

The AFCA scheme has replaced the Superannuation Complaints Tribunal (SCT), Financial Ombudsman Service (FOS) and Credit and Investments Ombudsman (CIO). AFCA will provide fair and independent financial services complaint resolution that is free to consumers.

AFCA is an independent tribunal set up by the Australian government to resolve most complaints that members, former members (or beneficiaries in relation to death benefits) have with their superannuation funds.

AFCA reviews the decisions of superannuation trustees as they affect an individual member. It is independent from us. Even so, please try to resolve your complaint directly with us before contacting AFCA.

Contact details for AFCA are:

Web: afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

Mail: GPO Box 3, Melbourne VIC 3001

Time limits on making complaints to AFCA

Time limits apply to certain complaints to AFCA. If you have a complaint, you should contact AFCA immediately to find out if a time limit applies.

AFCA legacy complaints

From 1 July 2019 until 30 June 2020, AFCA will have jurisdiction to consider eligible complaints dating back to 1 January 2008. This is subject to conditions such as: that the complaint must not have been previously settled between the parties or previously been decided by court, tribunal, AFCA or a predecessor scheme; the financial firm must be a member of AFCA and the complaint not relate to the Privacy Act or a super death benefit.

Contact us

Product	Contact number	Address for correspondence
Super Directions Personal Super Plan	131 267	Customer Service Centre PO Box 14330 MELBOURNE VIC 8001
Retirement Directions Allocated Pension Plan		
Flexible Income Plan		
Flexible Pension Plan		
Retirement Bond		
Personal Superannuation Bond		
Life Protection Superannuation Plan		
Life Insurance Superannuation Plan		
Income Insurance Superannuation Plan		
Conventional Superannuation		
Lifestyle Protection Plan	1300 300 798	
Superannuation Annual Renewable Term		
Accelerator Personal Superannuation Plan		
Flexipol Personal Superannuation		
Goldline Personal Superannuation Plan		
Provider Personal Retirement Plan		
Provider Top Up Retirement Plan		
Retirement Security Plan	133 056	Customer Service Centre PO Box 14669 MELBOURNE VIC 8001
Superannuation Life Protection Plan		
Super Directions for Business		
Super Directions for Business Rollover Section		
Simple Super		
Simple Super Rollover Plan		
Tailored Super		
Tailored Super Rollover Plan		