

FirstWrap

2012–13 Trustee annual report

Unique Superannuation Identifier

FirstWrap Super and Pension 38 876 896 681 010

FirstWrap Plus Super and Pension 38 876 896 681 001



Introduction

Dear member,

We are pleased to present the Trustee annual report for the financial year ended 30 June 2013 for FirstWrap Super and Pension (FirstWrap) and FirstWrap Plus Super and Pension (FirstWrap Plus), which forms part of The Avanteos Superannuation Trust (the Fund).

In this report you will find information on product and regulatory changes that may affect your superannuation.

You should read this Trustee annual report with your Superannuation Member Benefit Statement as this contains important information about contacting the Fund, the details of your investment performance, investment earnings, fees and charges and other important information relating to your account. Together this document and your Superannuation Member Benefit Statement make up your annual report.

If you have any queries about this Trustee annual report, please contact your adviser.

Yours sincerely,



Linda Elkins
Director
Avanteos Investments Limited

Contents

Regulatory changes	3
Proposed changes	6
Product information	7
Investment information	8
Investment strategy classifications	9
Financial statements	13
General information	16

The Trustee annual report 2012–2013 (the report) is issued by Avanteos Investments Limited ABN 20 096 259 979 AFSL 245531 ('the Trustee' or 'we'), the trustee of The Avanteos Superannuation Trust 38 876 896 681 (the Fund). You should read this report in conjunction with your superannuation member benefit statement. FirstWrap and FirstWrap Plus (the Service) is part of The Avanteos Superannuation Trust.

The Trustee is a wholly owned subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (the Bank).

The Bank and its subsidiaries do not guarantee or in any way stand behind the performance of the Fund or the repayment of a member's investment in the Fund. Investments in the Fund are not deposits or liabilities of the Bank or its subsidiaries. Investments in the Fund are subject to investment risk including possible delays in repayment, loss of income and capital invested.

The Trustee has made every attempt to ensure the accuracy of the information included in this report and the Trustee has, in some cases, relied on information provided by third parties. The Trustee does not accept responsibility as to the accuracy and completeness of information provided from another source.

The information contained in the report is general information and does not take into account your individual objectives, financial situation or needs. You should read it and assess whether the information is appropriate for you and consider talking to your adviser before making an investment decision.

Regulatory changes

The information contained in the following sections is general information only and does not take into account your objectives, personal financial situation or needs. You should assess whether the information is appropriate for you and talk to your adviser for further information. The information in this section is current as of 3 September 2013, and may change as a result of the September 2013 election.

Financial Assistance Levy (Trio levy)

In April 2011, the Government announced it would grant approximately \$55 million in financial assistance to affected members of four superannuation funds formerly under the trusteeship of Trio Capital Limited. In accordance with the *Superannuation (Financial Assistance Funding) Levy Act 1993*, the Government proceeded to recover the cost of the financial assistance in 2010–11 by imposing a levy on certain superannuation funds and approved deposit funds.

In 2012–13, the Government made a determination to grant further financial assistance of approximately \$17 million. In addition, there is \$2 million from the 2011 grant of financial assistance which remains to be recouped.

This levy may be passed onto members of FirstWrap and FirstWrap Plus Super and Pension in 2013. The deduction, if applicable, will appear in your accounts, and your next superannuation member benefit statement, with the description 'Financial Assistance Levy'.

Stronger Super Levy

The cost to the Government of implementing the Stronger Super initiatives will be recovered through an additional levy on all superannuation funds.

The levy may be passed onto members of FirstWrap and FirstWrap Plus Super and Pension in 2013–2014.

Changes to the concessional contributions cap

From 1 July 2013, the Government has increased the concessional contributions cap from \$25,000 to \$35,000 for individuals aged 60 and over and from 1 July 2014 the higher cap will also apply for individuals aged 50 and over.

Refund of excess concessional contributions (release authorities)

Significant reforms to the tax treatment of excess concessional contributions mean that from 1 July 2013 excess concessional contributions are taxed at your marginal tax rate (MTR).

Under these changes, you may elect to have up to 85% of any excess concessional contributions released from your super fund. You must make such an election to the Australian Tax Office (ATO) on the approved form within 21 days of receiving an excess concessional contributions notice. Once made, you are not able to revoke an election to release excess concessional contributions.

Once you have made an election, the ATO will provide a release authority to the Fund. Where the account has sufficient cash to release the monies we are required to make the payment to the ATO. The ATO will deduct any tax owing and pay you the balance.

Please speak to your adviser for further information or refer to the ATO website at www.ato.gov.au/Individuals/Super.

Higher tax on concessional contributions – high income earners

Since 1 July 2012, individuals with income greater than \$300,000 (not indexed) are subject to an additional 15% tax on part or all of their non-excessive concessional contributions. That is, these contributions are subject to a 30% rate of tax, rather than the usual 15% rate. The additional tax on contributions is administered by the ATO and levied on the individual, similar to the excess contributions tax.

Please speak to your adviser for further information or refer to the ATO website at www.ato.gov.au/Individuals/Super.

Data and e-commerce standards

New data standards have been introduced as part of the Government's SuperStream Reform package. These standards will provide a consistent, reliable electronic method of transacting payments for superannuation. The goal is to improve the efficiency of the superannuation system and the timeliness of processing rollovers and contributions, and to reduce the number of lost accounts and unclaimed monies.

Electronic Transactions

The SuperStream reforms will affect superannuation funds and employers and will require contributions and rollovers to be sent using the new data and e-commerce standards. Mandated use of the new standards will be progressively introduced. From 1 July 2013, trustees of Australian Prudential Regulation Authority (APRA) regulated super funds and retirement savings account (RSA) providers are required to receive rollovers electronically and have certain capabilities in place. A six month transition-in-period will apply until 31 December 2013 for funds to become fully compliant with all the rollover requirements in the new standards. While the new standards won't be compulsory for Self-Managed Super Funds (SMSFs) until 1 January 2015, funds can still be rolled over to SMSFs using the new standard wherever an SMSF provides the relevant electronic service and payment details. From July 2014, all large and medium employers will be required to send contributions in the new format, and all super funds, including SMSFs, will be required to receive contributions in the new format.

Removal of Superannuation Guarantee (SG) contribution age limits

From 1 July 2013, the age limit for employees to be eligible for SG was removed. Prior to 1 July 2013, employers were not required to pay SG contributions for employees aged 70 or over.

This change only applies to SG contributions made for the quarter ending 30 September 2013 and for subsequent quarters.

Increasing the Superannuation Guarantee (SG) rate to 12%

The Government has introduced a phased increase in the SG rate from 9% to 12%, with the initial increase from 9% to 9.25% having commenced from 1 July 2013. The table below shows the increases in the SG rate for each financial year commencing from 1 July 2013.

Financial year	SG rate (%)
2013–2014	9.25
2014–2015	9.50
2015–2016	10.00
2016–2017	10.50
2017–2018	11.00
2018–2019	11.50
2019–2020	12.00

Where your employer is already making contributions above the current SG minimum you will need to check with them what changes, if any, they may introduce as a consequence of the changes described.

Government co-contribution

Effective 1 July 2012, the matching rate for voluntary member superannuation contributions was reduced by 50%. This means that for eligible workers earning up to \$31,920 pa the maximum co-contribution is \$500.

Eligible workers contributing to super after tax, and earning over \$31,920 pa and up to \$46,920 pa, will also receive a reduced co-contribution.

The Government co-contribution does not count toward either the concessional or the non-concessional cap.

Low income Government co-contribution

The low income Government co-contribution is determined by the ATO as part of your personal income tax return. The Government will provide a contribution equal to 15% of concessional contributions made up to \$3,333 by or for individuals with an adjusted taxable income of up to \$37,000 pa. The maximum contribution paid will be \$500. This measure will apply to contributions made from 1 July 2012, with the first low income contributions expected to be paid in the 2013–14 financial year.

For further information about the co-contributions for low income earners, including details of eligibility, refer to the ATO website at www.ato.gov.au/Individuals/Super.

Reduction in minimum payment amounts for account-based pensions

Minimum payment amounts for account-based and allocated pensions were reduced by 25% for 2012–13 and have now returned to normal in 2013–14. For further information about the minimum pension rates please speak to your adviser or you can refer to the ATO website, www.ato.gov.au

Employer directed termination payments

From 1 July 2012, employer directed termination payments can no longer be accepted.

Transfers to New Zealand (NZ) KiwiSaver schemes

From 1 July 2013, regulations allow for the transfer of superannuation benefits into a New Zealand KiwiSaver scheme. Please speak to your adviser for information on the requirements. Please note that at this time the Trustee cannot accept transfers from a KiwiSaver scheme into the Fund.

Removal of adviser commission on insurance

From 1 July 2013, the Trustee will not provide for adviser commissions on new group insurance arrangements under CommInsure LifeProtect Insurance, where the cover commencement date is *on or after 1 July 2013*, regardless if it is a new or existing superannuation account. For existing insurance cover where the cover commencement date was *prior to 1 July 2013*, adviser commissions are unaffected and will continue to be paid.

The removal of insurance commission does not relate to retail insurance arrangements where adviser commissions may continue to be paid.

Intra-fund consolidation

By 1 July 2014, the Trustee is required to have a procedure in place to identify when a fund holds more than one account for the same member, to carry out the procedure annually and to merge multiple accounts where the Trustee believes it is in the member's best interests to do so. The Government's intention is to boost super balances by consolidating multiple accounts and therefore saving members from paying unnecessary fixed dollar based fees. The Trustee is considering intra-fund consolidation and how it will apply this requirement to the Fund.

Removal of member protection regulations

If your member account in FirstWrap and FirstWrap Plus Personal Super is less than \$1,000 and it includes (or has included) superannuation guarantee or award contributions by your employer, member protection limits the charges that can be deducted from your account. Member benefit protection does not apply to insurance premiums deducted for your insurance cover and tax paid.

From 1 July 2013, member protection requirements were abolished by the Government. The Trustee is planning to apply member protection to accounts under \$1,000 until 31 December 2013 and intends to remove member protection by 1 January 2014.

Reduced Input Tax Credit (RITC) changes

A New Tax System (Goods and Services Tax) Amendment Regulation 2012 (No 1) came into effect on 1 July 2012, changing the rate of RITC that can be claimed on some fees in the Fund. The legislative amendments to the GST regulations reduced the claim for input tax credits on some management fees from 75% to 55% from 1 July 2012. As a consequence, this may result in a small increase in the net Administration fees in the future.

Proposed changes

The following proposed changes are in various stages of the legislative process. If/when the legislation supporting the change(s) is passed, we will notify you either by letter or via next year's Trustee annual report.

Stronger Super

The Stronger Super reforms represent the Government's response to the Super System Review recommendations. The key element of the reforms, which the superannuation industry is continuing to work on, is SuperStream, a package of measures designed to enhance the back office of the superannuation system to improve productivity and make the system easier to use.

Any changes relating to Stronger Super that affect your superannuation account will be explained in the 2014 Trustee annual report.

Privacy

New privacy reforms will come into effect in March 2014. These reforms will include giving the Office of the Australian Information Commissioner (previously known as the Privacy Commissioner) greater powers and consolidating the existing privacy principles.

Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (FATCA) is US legislation that has been introduced and requires foreign financial institutions, potentially including FirstWrap and FirstWrap Plus Super and Pension to report detailed information to the US Inland Revenue Service (IRS) about financial accounts held by US persons and persons with 'substantial US owners' unless they can rely on an exemption. Commencement of the new legislation has been deferred to 1 July 2014.

The Australian Treasury is currently reviewing an Australian/US Intergovernmental Agreement (IGA) in relation to the US legislation, which is scheduled for release in February 2014.

Publicly available information

By later this year, the Trustee will make additional information available on the FirstWrap and FirstWrap Plus website to allow you to access further detailed information on how your fund operates. The required information, some of which is already available to you, includes current versions of the trust deed, Product Disclosure Statement, Financial Services Guide, Annual Report, conflicts management policies, proxy voting policies and information on directors of the Trustee, including names, qualifications and relevant experience.

Earnings on superannuation assets supporting retirement income streams

No tax is currently payable on pension investment earnings. However, from 1 July 2014 retirees will be subject to a 15% tax on any pension investment earnings over \$100,000 per annum. The tax will be levied on pension account investment earnings, regardless of whether or not this money is withdrawn.

Product information

Non-lapsing death benefit nominations

Death benefit nominations are a request by you to the Trustee of FirstWrap and FirstWrap Plus Super and Pension to pay your death benefit to the person or persons you nominate. We have recently introduced nominations which do not have an expiry date, referred to as 'non-lapsing' death benefit nominations. These nominations do not require a new nomination every three years, however, you can still change your nomination at any time by notifying the Trustee in writing. This may be necessary if your personal circumstances change.

Please note that we can no longer accept lapsing binding nominations. You are still able to make a non-binding nomination however this type of nomination is not binding on the Trustee.

Removal of Asset transfer fee

Where previously, an asset transfer fee may have applied when we agreed to transfer assets out of FirstWrap and FirstWrap Plus Super and Pension, this fee is no longer charged.

Claiming a tax deduction

If you wish to claim a tax deduction on your personal member contribution(s), you will now need to submit an s290-170 notice before each withdrawal or roll over of funds from your account (including retail insurance rollovers) rather than submitting the s290-170 notice only once a year. If you want to claim for monies that have not been withdrawn or rolled over you may supply such a notice at the end of the financial year. Please speak to your adviser for more information.

Dividend re-investment plans

FirstWrap and FirstWrap Plus Super and Pension has now introduced the ability for you to elect to participate in dividend re-investment plans (DRPs) where listed companies offer them. The DRP facility is available at account level, and where offered dividend proceeds paid by any listed security held will be reinvested back into shares in that company. The terms and conditions of the DRP policies will depend on each company. For further information please contact your adviser.

Rolling over superannuation benefits into or from FirstWrap and FirstWrap Plus Super and Pension

Prior to rolling over your entire superannuation benefit from or to another complying superannuation fund, you should ensure that you are aware of any fees and charges that may apply to the rollover, and the effect of the rollover on any benefit entitlements (including insurance) that you may have. Please speak to your adviser for further information.

Investment information

Investment performance information

Information about investment performance can be found in your superannuation member benefit statement. This information will be tailored to the specific assets you held as at 30 June 2013.

Investments within the Fund

As at 30 June 2013, the combination of investments that had a combined value in excess of 5% of the total assets of the Service were held in the following enterprises:

- FirstWrap
 - Australia and New Zealand Bank
 - Colonial First State
- FirstWrap Plus
 - Bendigo and Adelaide Bank
 - Australia and New Zealand Bank
 - Commonwealth Bank of Australia
 - Colonial First State

The above holdings may be made up of several investments including cash deposits, term deposits and listed securities.

In addition to the above, as at 30 June 2013, the Trustee held more than 5% of the total assets of the Service in the following investments:

- FirstWrap
 - FirstRate Saver
- FirstWrap Plus
 - FirstRate Saver

Standard risk measures

To allow you to compare investment options, we have provided standard risk measures showing the number of negative annual returns over any 20-year period (as outlined in the table following) for each investment strategy classification.

The standard risk measure is not a complete assessment of all forms of investment risk; for instance, it does not detail the potential size of a negative return nor the possibility that a positive return is less than an investor's investment objectives. Also, it does not take into account the impact of administration fees, tax or the likelihood of a negative return or an investor's personal needs and financial situation.

You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment option(s). The standard risk measure is not personal advice and you should regularly review your investment decision with your adviser.

Below outlines the labelling of risk measures and categories.

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

These risk labels can be found in the investment strategy classification tables on pages 9–12.

Other important information you should know

- The Trustee does not guarantee your investment in the Fund, nor any income or the rate of return. The value of your account rises or falls depending on the performance of the investments selected.
- The Trustee strongly recommends you consult with your adviser when formulating an investment strategy to ensure that it fits with your investment objectives.
- The Trustee does not take into account labour standards, environmental, social or ethical considerations when making the investments available.

Investment strategy classifications

The following is a description of each of the investment strategy classifications available to members in the Service. This shows the investment objective of each strategy classification but you should be aware that actual returns may be positive or negative. You should speak with your adviser for further information on any of the investment strategy classifications. References to returns and annual returns in the following tables are to both income and growth returns unless indicated otherwise.

Investment strategy classifications	CASH			AUSTRALIAN FIXED INTEREST		
Investment objective	To earn returns that match headline CPI increases over rolling one-year periods.			To earn returns that exceed headline CPI increases by at least 1% pa over rolling three-year periods.		
Strategy benchmark	Funds offered will typically benchmark with reference to the UBSWA Bank Bill Index.			Funds offered will typically benchmark with reference to an Australian index such as the UBSWA Composite Bond Index (All Maturities).		
Risk label	Very low			Medium		
Timeframe	1+ years			3+ years		
Representative asset allocation range	Asset class	Allocation benchmark (%)	Allocation ranges (%)	Asset class	Allocation benchmark (%)	Allocation ranges (%)
	Cash	100	0–100	Australian fixed interest	100	80–100
				Cash	0	0–20
Allocation to growth assets	0%			0%		
Diversification Limit	100%			100%		

Investment strategy classifications	INTERNATIONAL FIXED INTEREST			SHORT DURATION HIGH YIELD		
Investment objective	To earn returns that exceed headline CPI increases by at least 1% pa over rolling three-year periods.			To earn returns that exceed headline CPI increases by at least 1.5% pa over rolling three-year periods.		
Strategy benchmark	Funds offered will typically benchmark with reference to a global bond index such as the Citigroup World Government Bond Index (hedged to \$A) or the Barclays Global Aggregate (hedged to \$A).			Funds offered will typically benchmark with reference to the UBS Cash Index plus a margin of between 2–6% and maintain a high tracking error through investment in lower quality credit. Examples of the funds included in these are: <ul style="list-style-type: none"> • mortgage • high yield • hybrids • global hybrids • syndicated loans • global credit. 		
Risk label	Medium			Low to medium		
Timeframe	3+ years			3+ years		
Representative asset allocation range	Asset class	Allocation benchmark (%)	Allocation ranges (%)	Asset class	Allocation benchmark (%)	Allocation ranges (%)
	International fixed interest	100	80–100	Cash and fixed interest	100	0–100
	Cash	0	0–20			
Allocation to growth assets	0%			0%		
Diversification Limit	100%			70%		

Investment strategy classifications	DIVERSIFIED DEFENSIVE			DIVERSIFIED BALANCED		
Investment objective	To earn returns that exceed headline CPI increases by at least 2% pa over rolling three-year periods.			To earn returns that exceed headline CPI increases by at least 2.5% pa over rolling five-year periods.		
Strategy benchmark	Funds offered will typically represent traditional multi-sector defensive funds with less than 40% in growth assets.			Funds offered will typically represent traditional multi-sector balanced funds with at least 40% or more but less than 80% in growth assets.		
Risk label	Medium			High		
Timeframe	3+ years			5+ years		
Representative asset allocation range	Asset class	Allocation benchmark (%)	Allocation ranges (%)	Asset class	Allocation benchmark (%)	Allocation ranges (%)
	Australian shares	15	5–25	Australian shares	40	25–55
	International shares	8	5–15	International shares	25	10–40
	Listed property	7	5–15	Listed property	10	0–20
	Australian fixed interest	40	25–55	Australian fixed interest	15	5–25
	International fixed interest	5	0–10	International fixed interest	5	0–10
	Cash	25	10–40	Cash	5	0–20
Allocation to growth assets	10–39%			40–79%		
Diversification Limit	100%			100%		

Investment strategy classifications	DIVERSIFIED GROWTH			AUSTRALIAN EQUITIES		
Investment objective	To earn returns that exceed headline CPI increases by at least 3% pa over rolling five-year periods.			To earn returns that exceed headline CPI increases by at least 3% pa over rolling five-year periods.		
Strategy benchmark	Funds offered will typically represent traditional multi-sector growth funds with 80% or more in growth assets.			Funds offered will typically benchmark with reference to the S&P/ASX 300 Accumulation Index.		
Risk label	High			High		
Timeframe	5+ years			5+ years		
Representative asset allocation range	Asset class	Allocation benchmark (%)	Allocation ranges (%)	Asset class	Allocation benchmark (%)	Allocation ranges (%)
	Australian shares	45	30–60	Australian shares	100	80–100
	International shares	35	20–50	Cash	0	0–20
	Listed property	10	0–20			
	Australian fixed interest	3	0–10			
	International fixed interest	2	0–10			
	Cash	5	0–20			
Allocation to growth assets	80–100%			100%		
Diversification Limit	100%			100%		

Investment strategy classifications	AUSTRALIAN EQUITIES – SMALL CAP			INTERNATIONAL EQUITIES		
Investment objective	To earn returns that exceed headline CPI increases by at least 3.5% pa over rolling five-year periods.			To earn returns that exceed headline CPI increases by at least 2.5% pa over rolling five-year periods.		
Strategy benchmark	Funds offered will typically benchmark with reference to the S&P/ASX Small Ordinaries Accumulation Index.			Funds offered will typically benchmark with reference to the broad market global index such as the MSCI World ex-Australia Index (in \$A).		
Risk label	High			High		
Timeframe	5+ years			5+ years		
Representative asset allocation range	Asset class	Allocation benchmark (%)	Allocation ranges (%)	Asset class	Allocation benchmark (%)	Allocation ranges (%)
	Australian small cap shares	100	80–100	International shares	100	80–100
	Cash	0	0–20	Cash	0	0–20
Allocation to growth assets	100%			100%		
Diversification Limit	50%			100%		

Investment strategy classifications	EMERGING MARKET EQUITIES			INTERNATIONAL EQUITIES – SMALL CAP		
Investment objective	To earn returns that exceed headline CPI increases by at least 3% pa over rolling five-year periods.			To earn returns that exceed headline CPI increases by at least 2.5% pa over rolling five-year periods.		
Strategy benchmark	Funds offered will typically benchmark with reference to a broad market or country grouping emerging markets index such as the MSCI Emerging Markets Index or the MSCI Asia ex-Japan Index.			Funds offered will typically benchmark with reference to the MSCI Small Cap Index.		
Risk label	Very high			High		
Timeframe	5+ years			5+ years		
Representative asset allocation range	Asset class	Allocation benchmark (%)	Allocation ranges (%)	Asset class	Allocation benchmark (%)	Allocation ranges (%)
	Emerging market equities	100	80–100	International small cap shares	100	80–100
	Cash	0	0–20	Cash	0	0–20
Allocation to growth assets	100%			100%		
Diversification Limit	50%			50%		

Investment strategy classifications	AUSTRALIAN/INTERNATIONAL SINGLE SECTOR FUND			GEARED LISTED SECURITIES (AUSTRALIAN/INTERNATIONAL)		
Investment objective	To earn returns that exceed headline CPI increases by at least 2.5% pa over rolling five-year periods.			To earn returns that exceed headline CPI increases by at least 4% pa over rolling five-year periods.		
Strategy benchmark	Funds offered will typically benchmark with reference to the relevant sector component of the MSCI or S&P/ASX Index.			Funds offered are typically Australian/International long only equity funds which benchmark with reference to the S&P/ASX 300 Accumulation Index or the MSCI World ex-Australia Index (in \$A).		
Risk label	Due to the wide variation in the types of funds within this classification, it is not realistic to provide a risk label.			Very high		
Timeframe	5+ years			5+ years		
Representative asset allocation range	Asset class	Allocation benchmark (%)	Allocation ranges (%)	Asset class	Allocation benchmark (%)	Allocation ranges (%)
	Specific equities sector	100	80–100	Geared shares	100	80–100
	Cash	0	0–20	Cash	0	0–20
Allocation to growth assets	100%			100%		
Diversification Limit	30%			50%		

Investment strategy classifications	PROPERTY			ALTERNATIVES/SPECIALISED		
Investment objective	To earn returns that exceed headline CPI increases by at least 2% pa over rolling five-year periods.			To deliver consistent medium-term returns with low correlation to broad equity and fixed income markets by investing in both traditional and non-traditional asset classes.		
Strategy benchmark	Funds offered will typically benchmark with reference to the listed or direct property index.			Funds offered will target either a specific level of return in excess of a hurdle rate return or a specific alternative asset index.		
Risk label	High			Medium – High		
Timeframe	5+ years			5+ years		
Representative asset allocation range	Asset class	Allocation benchmark (%)	Allocation ranges (%)	Due to the wide variation in the types of funds, there is no structured asset allocation, with a range of strategies used to achieve their strategy benchmark.		
	Property	100	80–100			
	Cash	0	0–20	Funds offered may include, but are not limited to, long short equities, absolute return funds, diversified hedge funds, global macro funds, commodity trading accounts, currency funds, commodity funds and agribusiness funds.		
Allocation to growth assets	100%			N/A		
Diversification Limit	50%			20%		

Investment strategy classifications	LISTED AUSTRALIAN SECURITIES	LISTED INTEREST RATE SECURITIES
Investment objective	To provide investors with a growth investment return from exposure to companies listed on the ASX. This strategy may provide additional returns by investing in Australian companies which declare partially or fully franked dividends.	To provide investors with a regular income stream above the cash rate over the short to medium term.
Strategy benchmark	Investors using this strategy classification can expect to experience short to medium-term fluctuation in the value of their investment. There is a high likelihood of a negative return in a given short-term investment period.	Suitable for investors seeking a regular income yield above the cash rate. Suitable for investors seeking short to medium-term volatility in their capital value.
Risk label	Very high	Very high
Timeframe	5+ years	5+ years
Representative asset allocation range	Listed Australian securities 100%	Australian fixed interest 100%
Available investments	Australian listed securities, listed property trusts, listed investment companies and other listed securities as deemed appropriate by the Trustee.	Listed income securities, corporate bonds, floating rate notes and hybrid securities.
Diversification Limit	100%	100%

Additional diversification limits

In addition to the diversification limits for the listed Australian securities and listed interest rate securities strategy classifications outlined above, the Trustee has also determined:

- a maximum holding of 20% in any security within the S&P/ASX300
- a maximum holding of 5% in any single security outside the S&P/ASX300, unless a higher limit has been approved by the Trustee.

The Trustee also imposes a limit of 5% on unlisted investments, excluding fixed interest products.

Annual investment review 2013

The Trustee conducts an annual review of all investments that are available in the Fund.

The review is conducted with the assistance of our research providers, our Board Investment Committee and external consultants.

As part of the review, the Trustee undertook a review of the Investment Strategy, the approved list of investments and the current investment strategy classifications. This was to ensure that each investment on the list remained appropriate for members to invest in and each strategy classification remained appropriate in the current investment environment.

Following the review, the Trustee determined to remove a number of investments from the approved list of investments which you will no longer be able to purchase. A list of the investments removed by the Trustee is available electronically via the Investment News link on our website at www.firstwrap.com.au.

During the year new funds were added to the investment list. A current Investment list can be found at www.firstwrap.com.au.

Financial statements

The financial information included in this section relates to the Fund and is not a reflection of the performance of your individual account. Information regarding your individual portfolio and the associated performance can be found in your superannuation member benefit statement.

Please note that these financial statements are an abridged version of the financial statements of the Fund. If you would like a full copy of the financial statements, please contact us.

Avanteos Superannuation Trust

Statement of financial position

As at 30 June 2013

	2013 \$	2012 \$
Assets		
Cash and cash equivalents	513,836,220	494,910,308
Investments	3,668,538,066	2,681,325,845
Receivables	54,508,486	40,044,543
Deferred tax asset	6,599,901	12,960,977
Total assets	4,243,482,673	3,229,241,673
Liabilities		
Payables	13,345,578	18,599,234
Income tax payable	3,448,316	–
Provision for deferred income tax	5,227,577	401,192
Total liabilities	22,021,471	19,000,426
Net assets available to pay benefits	4,221,461,202	3,210,241,247
Represented by:		
Liability for accrued benefits	4,221,461,202	3,210,241,247

Avanteos Superannuation Trust

Operating statement

For the year ended 30 June 2013

	2013 \$	2012 \$
Investment revenue		
Interest	57,528,902	49,171,574
Dividends	29,582,332	21,925,956
Distributions	79,443,416	59,268,130
Changes in net market value of investments	296,697,793	(116,292,186)
Total investment revenue	463,252,443	14,073,474
Contribution revenue		
Employer	43,727,068	46,361,137
Member	211,738,589	187,625,984
Transfers from other funds	1,228,144,779	1,166,991,280
Government co-contributions	562,306	531,704
Total contribution revenue	1,484,172,742	1,401,510,105
Other income	1,606,545	284,350
Total revenue	1,949,031,730	1,415,867,929
Less:		
Expenses		
Administration fees	45,959,277	35,764,011
Group life insurance premiums	1,789,229	1,218,128
Superannuation contribution surcharge	6,810	3,370
Other expenses	1,219,329	444,487
Total expenses	48,974,645	37,429,996
Benefits accrued as a result of operations before income tax	1,900,057,085	1,378,437,933
Income tax expense/(benefit)	13,507,998	(7,665,264)
Benefits accrued as a result of operations after income tax	1,886,549,087	1,386,103,197

Avanteos Superannuation Trust

Statement of cash flows

For the year ended 30 June 2013

	2013 \$	2012 \$
Cash flows from operating activities		
Contributions received:		
Employer	43,727,068	46,361,137
Member	211,738,589	187,625,984
Transfers from other funds	1,171,170,574	1,086,345,063
Government co-contributions	562,306	531,704
Distributions received	96,079,310	84,499,415
Interest received	57,781,447	49,188,083
Other income received	1,651,682	396,464
Transfers to other funds	(647,384,078)	(376,131,022)
Other general administration expenses paid	(49,709,707)	(28,335,493)
Benefit payments	(227,055,535)	(170,552,406)
Income tax paid	2,177,981	1,007,775
Net cash inflow from operating activities	660,739,637	880,936,704
Cash flows from investing activities		
Proceeds from sale of investments	1,895,493,626	1,372,510,984
Purchase of investments	(2,537,307,351)	(2,119,027,716)
Net cash inflow/(outflow) from investing activities	(641,813,725)	(746,516,732)
Net increase/decrease in cash and cash equivalents	18,925,912	134,419,972
Cash and cash equivalents at the beginning of the financial year	494,910,308	360,490,336
Cash and cash equivalents at the end of the financial year	513,836,220	494,910,308

General information

Insurance

You have the option to take out insurance cover in addition to your investments. The following insurance benefits are available:

- Life
- Life & TPD
- Income Protection

For more information about your insurance options, or to find out about retail insurance options available, please speak to your adviser.

Trustee information

The Trustee of the Fund is Avanteos Investments Limited.

The Trustee is responsible for all matters concerning the management, operation and administration of the Fund, including compliance with applicable legislation.

The Trustee was appointed trustee pursuant to the Trust Deed that governs The Avanteos Superannuation Trust including FirstWrap and FirstWrap Plus and holds a Registrable Superannuation Entity (RSE) licence issued by the Australian Prudential Regulation Authority. The terms of the Trust Deed prevail to the extent of any inconsistency with offer documents or other Fund communications.

The Trustee has an Australian Financial Services License (Number 245531) issued by the Australian Securities & Investments Commission. The licence, among other things, authorises the Trustee to issue, apply for, vary and dispose of interests in the Fund.

The Trustee does not give advice in relation to investments in the Fund.

No penalties have been imposed on the Trustee under superannuation law.

Changes to the Trustee Board

The Trustee has appointed three non-executive directors to its board effective 1 January 2013. By bringing additional in-depth industry experience to the board, these appointments will ensure the Trustee builds on its current strengths and continues to encourage innovation with a more diversified range of expertise. Further details are available on request and/or may be made available on our website by later this year.

Indemnity insurance

The Trustee is covered by indemnity insurance in relation to its responsibilities under FirstWrap and FirstWrap Plus. The directors and the Trustee and its associated companies are covered by indemnity insurance in excess of \$20 million.

When we may transfer your benefits to an eligible rollover fund

If the Trustee is unable to contact you, if your superannuation account balance falls below \$1,000, or if you do not have an adviser appointed to your account, the Trustee may exercise its discretion to transfer your benefit to an eligible rollover fund (ERF). The Trustee has selected the Australian Eligible Rollover Fund as the ERF to which your benefits will be transferred. Your benefit will be transferred, after deducting any accrued or outstanding fees, taxes and liabilities, if at least one written communication to you is returned unclaimed. Once transferred to an ERF you will no longer be a member of FirstWrap and/or FirstWrap Plus, your insurance cover (including the ability to make payments for any retail insurance policy you may have connected with your superannuation account) in FirstWrap and/or FirstWrap Plus, (if any) will cease and you will no longer receive reports from FirstWrap and/or FirstWrap Plus.

The contact details for the Australian Eligible Rollover Fund (AERF) are:

Australian Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124
Telephone: 1800 677 424

The Trustee will take reasonable steps to contact you before transferring your balance to the AERF. Once the balance of your account is transferred, you should contact the AERF for further information.

Fees charged by the Trustee

Please refer to the Product Disclosure Statement (PDS) for information on the fees charged and your superannuation member benefit statement for the actual fees charged on your account. Fees are charged on a particular basis arranged with your adviser when you joined FirstWrap and/or FirstWrap Plus.

We may at our discretion reduce or waive any of the fees and costs disclosed in the PDS.

Where appropriate these fees have been adjusted for the costs to the Fund for GST including any associated reduced input tax credits.

Superannuation member benefit statement

You would have recently received your superannuation member benefit statement. You may have noticed that the statement includes deductions for 30 June 2012 fund earnings tax. Deductions for 30 June 2013 fund earnings tax will appear in next year's statement.

Payment of superannuation contribution surcharge

Payments of the superannuation contribution surcharge if applicable are paid by deductions from your account, or, if the Trustee receives an assessment after you have left, it will generally be forwarded on to the fund or institution to which you have transferred your benefit.

Allocation of earnings into members' accounts

Income or interest received from each underlying investment within the Fund will be allocated to your account in proportion to your holding in that investment.

General superannuation information

You can obtain further general information on superannuation via the ATO website at <http://www.ato.gov.au/Individuals/Super>.

Further Fund information is available upon request

If you require further information about the Fund, please ask us. When requested in writing, we will make copies of the following documents available to you free of charge once a year:

- Trust Deed
- recent audited accounts of the Fund (this information is available in approximately October each year)
- Auditor's Report.

Contact details of the Fund

Avanteos Investments Limited
Locked Bag 3460
GPO Melbourne
Victoria 3001

Telephone 1300 769 619

Fax 03 9804 0398

Email firstwrap@colonialfirststate.com.au



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