Annual Report to Members for the Year Ending **30 June 2013**

This Annual Report should be read in conjunction with your Annual Benefit Statement for the year ended 30 June 2013. Together, they form your annual periodic statement.

Issued by the Trustee of max Super,
Equity Trustees Limited
ABN 46 004 031 298
AFS Licence No 240975
RSE Licence No L0003094
RSE Registration Number R1067897

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A division of max Super

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TRUSTEE REPORT

Equity Trustees Limited (the Trustee) is pleased to present the Annual Report for max Super (the Fund) for the year ending 30 June 2013.

This report provides you with information on the Fund's progress throughout the year, along with details of the Fund's financial position, its investment objectives and performance, and other issues relevant to your membership of the Fund.

Approved Guarantee

The Taxation and Superannuation section of this report also includes some updated taxation information, including revised benefit tax information.

Take the time to read this report as it will help you in increasing your understanding of how your Fund, and superannuation in general, works towards building an asset for your retirement. Should you have any questions regarding your participation in this Fund, please contact the Administrator, whose details can be found in the Directory at the back of this Report.

HOW YOUR FUND OPERATES

About max Super

The Fund is set up as a trust and is governed by a legal document called the Trust Deed. The Fund is run by the Trustee, Equity Trustees Limited, a professional trustee company whose sole purpose is to act as trustee of superannuation funds. The Fund is a "Regulated Fund" under the Superannuation Industry (Supervision) Act 1993.

At 30 June 2013, Fund assets were in excess of $38 million and there were more than 1,500 Fund members.

Trustee & the issuer of this report

The Trustee (Equity Trustees Limited) is responsible for the prudent management of the Fund and for ensuring that the Fund operates in accordance with the Trust Deed and the relevant legislation. Equity Trustees Limited is also the issuer of this report.

There has been no change of Trustee during the period covered by this Report.

Directors are appointed in accordance with the Trustee's constitution. The Directors of the Trustee during the year to 30 June 2013 were:

- Mr J A (Tony) Killen OAM (Chairman)
- Mr David F Groves (Deputy Chairman)
- Mr Robin B O Burns (Managing Director)
- Ms Alice J M Williams
- The Hon Jeffrey G Kennett AC
- Ms Anne M O'Donnell
- Mr Kevin Eley

Other than as disclosed above, no other Directors of the Trustee have been appointed or resigned during the 2012/13 financial year.

Trustee indemnity insurance

The Trustee has taken out Professional Indemnity insurance to protect it from liability that may be incurred in carrying out its duties as Trustee. The policy does not provide cover arising out of the committing of any dishonest or fraudulent act or any knowing or wilful violation of any statute or any wilful breach of any duty.

Approved Guarantee

The Trustee satisfies its capital requirements under section 29 DA (3) of the Superannuation Industry (Supervision) Act through an Approved Guarantee in the sum of $5 million.

A copy of the Approved Guarantee is available for review at our offices.

Related party disclosures

The Trustee and related parties do not have any interest in any service provider or investment managers engaged by the Fund.

The Trustee receives remuneration in its capacity as trustee of this fund and other superannuation funds on an arm's length and commercial basis.

Trustee Statements in relation to the year ending 30 June 2013

Compliance Statement

The Trustee intends to operate the Fund at all times as a complying superannuation fund under the Superannuation Industry (Supervision) Act 1993 (SIS Act). Compliance with the SIS Act entitles the Fund to receive concessional tax treatment. The Trustee is unaware of any events that could jeopardise the Fund's complying status and has not had any penalties imposed under Section 38A of the SIS Act.

Trust Deed

The overall operations of the Fund are governed by a legally binding document known as the Trust Deed. The Trust Deed as amended from time to time, sets out who can join the Fund, how monies are received and invested, how benefits are paid to Members, and other details on how the Fund must operate.

You can obtain a copy of the Trust Deed and the amendments made thereto free of charge by contacting the Administrator, whose details can be found in the Directory at the back of this Report.

Policy Committees

Where an Employer group in the Fund has more than 49 Members, there is a requirement that a Policy Committee be formed.

A Policy Committee is made up of an equal number of Member-appointed and Employer-appointed persons, who collectively act as a link between the Trustee, the Members, and the Employer. Members of the Fund are invited to nominate candidates for the applicable number of Member-appointed representatives, and a secret ballot is held when there are more nominations than there are vacancies. The employer will nominate Employer-appointed representatives, in equal numbers to the number of Member-appointed representatives. There are restrictions in relation to who can serve on a Committee, and these details, along with all other relevant information is provided at the time when nominations are sought. These details are also available upon request from the Administrator.

The main role of the Committee is to facilitate the flow of information between the Trustee and the Members – for example, the Committee can let the Trustee know the views and needs of the

HOW YOUR FUND OPERATES (con't)

Members. It is not the role of the Committee to set the Employer's superannuation policy, nor is it the role of the Committee to set or advise on investment strategies.

If your Employer group has a Policy Committee, details are provided in your Annual Benefit Statement, showing details of the Policy Committee as at 30 June 2013.

What we do to keep you informed

At least once every year the Trustee will provide you with the following information in writing:

Member's Annual Benefit Statement - details about your account, your benefits, and a summary of transactions over the last year. This will be posted to your mailing address after the end of each financial year.

Annual Report - this will provide you with details about the Fund, its operation, and its performance. Please note that the Annual Report will, by default, be provided electronically. The Annual Report is available from the website. This can be accessed by visiting www.maxsuper.net.au. However, you may elect to have a hard copy, or electronic copy, sent to you free of charge. If you elect to have a hard copy or electronic copy of the annual report sent to you, the Trustee will for each subsequent financial year/reporting period, send you a hard copy/electronic copy until you advise that this is no longer required. If you require any further information, contact the Fund Administrator on 1300 629 787.

During the year, you can keep up to date with your Fund:

- by visiting the Administrator's web site – www.maxsuper.net.au
- by using MySuperSolution – the Administrator's internet facility for interactive access
- by contacting the Administrator or Fund Enquiries and Complaints Officer (see the Directory at the back of this report)

Members may also obtain or view the following information upon written request to the Trustee:

- copy of the Annual Return provided to the Australian Prudential Regulation Authority
- copy of the Auditor's Report
- copy of the latest audited accounts
- risk management framework
- provisions of the Trust Deed which relate to your membership.

In addition you may request information from the Trustee in order to:

- understand any benefit entitlements that you may have or used to have;
- understand the main features of the Fund;
- make an informed judgment about the management and financial condition of the Fund;

- make an informed judgment about the investment performance of the Fund; and
- understand the particular investments of the Fund.

You can obtain forms, a copy of this Annual Report, investment updates (including updates to Investment Fund PDS for investment options which provide access to named financial products or investment funds), and other general information via the web site - www.maxsuper.net.au.

If you have any questions regarding the Fund, its insurance, contribution and investment options, or your benefits, please contact the Administrator.

What happens if you lose contact with this Fund?

The Superannuation Industry (Supervision) Act 1993 allows trustees to nominate an Eligible Rollover Fund (ERF). In special circumstances, the Trustee may transfer your accumulated benefit to an ERF without your permission. This usually occurs if you cannot be located at the address recorded on the administration system.

If you have left employment and have not instructed the Trustee to pay your benefit to you or to another superannuation fund, the Trustee may pay your benefit to the ERF after 90 days. If you have left employment and the Trustee is satisfied that you have not received the last Annual Benefit Statement at your last known address, the Trustee may pay your benefit to the ERF. Once your benefit is transferred to the ERF, you cease to be a member of max Super and instead become a member of the ERF and subject to its governing rules. Any insurance cover you may have had in max Super will cease.

In an ERF, the administration fees deducted directly from your account cannot exceed investment earnings allocated to that account (called "member protection"). However, your benefit can reduce due to negative earnings and taxes. The ERF has different fees and costs and investments to max Super and does not provide insurance cover.

The Trustee has nominated the Synergy Secure Fund (SSF) as the ERF to which it will make payments under these circumstances. The postal address is **GPO Box 4344 Melbourne Vic 3001**, and they can be contacted by telephone on **(03) 9654 2187**. If your account balance is transferred to SSF:

- you will cease to be a member of max Super;
- you will become a member of SSF and be subject to its governing rules. You should refer to the SSF product disclosure statement (PDS) for details of its features;
- fund earnings credited or debited to your account will vary depending on the balance of your account and the crediting rate declared by the trustee of SSF; and
- a different fee structure will apply. SSF is required to "member protect", that is administration charges cannot exceed investment earnings in a reporting period. You should refer to the SSF PDS for details of the fees which may apply.

If the SSF holds your current contact details, you will be provided with a Product Disclosure Statement (PDS) for the SSF outlining the operational and membership details of that fund. If you would like more information about the SSF, contact the SSF Fund Administrator (contact details above) for a PDS.

If, as a result of losing contact with you, you are classified as a 'lost' member for the purposes of the SIS Act, the Trustee is also required to report your details to the Australian Taxation Office's Lost Member Register. You can search the Lost Member Register to locate lost benefits by visiting www.ato.gov.au.

UNCLAIMED MONEY

Under Federal Government (Unclaimed Money) legislation, there are a number of circumstances in which superannuation must be paid to the Australian Taxation Office as unclaimed money.

From 30 December 2012, a lost member account of a fund is taken to be unclaimed super if it does not relate to a defined benefit interest, the member is a lost member, and:

- the balance of the lost member account is less than $2,000 (small lost member account), or
- the lost member account has been inactive for a period of 12 months and the provider is satisfied that it will never be possible to pay an amount to the member (insoluble lost member account).

A person is taken to be a lost member if they are either uncontactable or inactive (as defined in regulations).

A former temporary resident's superannuation benefit must be paid to the Australian Taxation Office as unclaimed money where it has been at least six months since they have departed Australia and their visa has lapsed AND the Australian Taxation Office issues a notice to the Fund requesting the benefit be paid to the Australian Taxation Office. If this happens, you have a right, under the Government's legislation, to claim your super money directly from the Australian Taxation Office (subject to the applicable tax rates).

Further information can be found obtained from the Australian Taxation Office website (www.ato.gov.au).

If you are a former temporary resident whose superannuation benefits are transferred to the ATO as unclaimed money, you may not be notified of this or receive an exit statement after the transfers occurs. The Trustee will rely on relief provided by the Australian Securities & Investments Commission (ASIC) Class Order [CO 09/437] which says, in effect, that the trustee of a superannuation fund is not obliged to meet certain disclosure requirements in relation to non-residents that have ceased to hold an interest in the fund as a result of the payment of unclaimed superannuation to the Commissioner of Taxation. If you require any further information, contact the Fund Administrator on 1300 629 787.

INVESTMENT NEWS

How your Fund invests

Your Fund provides members with a choice of 11 different investment options, including options that invest across a range of asset classes, and options that invest in just the one asset class.

About the Investment Options

The Fund offers two styles of investment which aim to meet your investment needs:

- Diversified options with assets spread across a number of investment sectors
- Sector options which allow you to control your exposure to specific asset sectors

Members may select any combination of the investment strategies, from just one up to a maximum of any eleven of the options available, and there is no minimum amount of money that you must have in any particular option.

Changing your investment options

Members can nominate anything from one to eleven of the investment options and you can change your investment options at any time by notifying us in writing, as many times as you like during the year. There is no fee for changing your investment options but the units for some options do have a difference between the Buy and Sell price. The Sell price applies when you switch out of an investment option. The Buy price applies when you switch into an investment option. Buy/Sell prices are determined weekly unless circumstances arise in which the Trustee determines that unit pricing should be deferred or suspended. To find out more about your investment options and any buy/sell margin that may apply, see the Product Disclosure Statement. You can obtain the Product Disclosure Statement and an Investment Nomination Form, by contacting the Administrator on 1300 629 787.

You can update your investment choices at any time by sending us an investment nomination form (available from www.maxsuper.net.au or by contacting the Administrator.

Investments are switched at the prices applicable for the week in which the switch is processed. Our time standard for investment switches is 5 days from receipt of the completed and valid request.

Derivatives

The Trustee has never invested directly in derivatives and does not intend to do so. However, consistent with superannuation industry practice, the underlying investment managers utilised by the fund may use futures, options and other derivative instruments to assist with the effective management of the Fund's assets.

INVESTMENT NEWS (con't)

However these instruments may not be used to gear the portfolio. Derivatives may be used to enhance returns on the Fund's assets, improve liquidity in some asset classes and control risk. Currently FX contracts are used to hedge currency exposure to the Australian dollar in various investment options.

Note: Past performance is not a reliable indicator of future performance. Investment earnings can be positive or negative.

The information provided is for general use only. Your individual objectives, financial situation or particular needs have not been considered, and individuals should seek advice and consider whether the advice is appropriate in light of their goals, objectives and current situation. Before making any decision about whether to invest in a financial product, individuals should obtain and consider the relevant disclosure document. Whilst all reasonable care has been taken to ensure the accuracy of information provided, Equity Trustees does not accept responsibility for any inaccuracy or for investment decisions or any other actions taken by any person on the basis of the information included.

2012/2013 Financial Year in Review

The 2012/2013 financial year delivered strong positive investment returns for fund members on the back of a positive year for global sharemarkets. Despite this, Australia's economic growth moderated during the year as the mining boom peaked and investor confidence remained below trend levels.

It is clear that the significant cuts to interest rates over the past 2 years (totalling a 2% reduction between November 2011 and May 2013) has done little to increase household demand. The structurally weak appetite for new debt is now being increasingly exposed as the boosts to national income from the terms of trade and mining investment begin to recede.

The Australian share market provided significant gains to investor portfolios with the S&P ASX 200 Accumulation Index rising by 22.8%, following a small decline in the previous financial year. Unlike the United States, the Australian share market is yet to return to its pre GFC peak, with the ASX 200 Index still more than 25% off its highs.

During the year the Australian dollar fell from $104.30 USD to $92.80 USD providing the potential for future earnings growth in export sectors and in those sectors competing with imports. Record low interest rates also provide another source of potential revenue growth for Australian companies, particularly those involved in retailing and housing construction.

The MSCI World Index for Australian investors with hedged currency positions produced a gain of 21.8% for the year. For those investors with unhedged global investments, the weakening of the $A towards the end of the financial year provided a source of additional return as shareholdings in foreign currencies increased in relative value. The MSCI World Index for Australian investors with unhedged currency positions rose by 33.2%.

INVESTMENT NEWS (con't)

Emerging markets were generally not as strong as developed markets. Lower than expected economic growth in China resulted in a small decline on the Chinese share market; whilst weak commodity prices saw markets such as Brazil and Russia struggle. Overall, emerging markets increased by 6.1% in local currency terms.

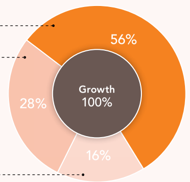
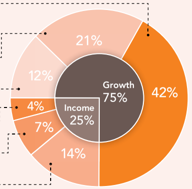
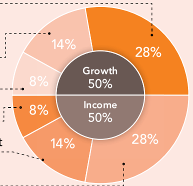
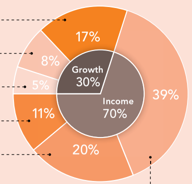
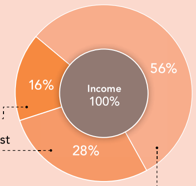
Higher longer term interest rates meant that bond prices fell over 2012/13. As a result, fixed interest investors experienced lower returns than had been recorded in recent years when interest rates were falling.

Australian listed property continued to perform well. With cash rates continuing to fall, the yields available on property became more attractive in relative terms. Overall, the S&P ASX 200 A-REIT Index rose by 24.2% over 2012/13. Similarly, strong support continued for global listed property, with the sector gaining 15.5%. Please note that the investment commentary above is of a general nature only and relates to the broader investment market for the period ending 30 June 2013.

Please note that decisions about your investments are important and should not be made without first obtaining advice from an appropriately licensed or authorised financial adviser that takes into account your personal circumstances and needs.

ASSET ALLOCATION AND INVESTMENT RETURNS (PRE-MIXED FUNDS)

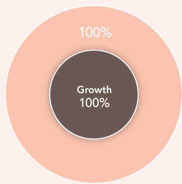
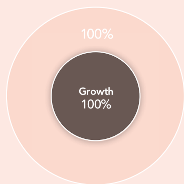
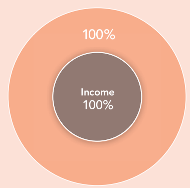
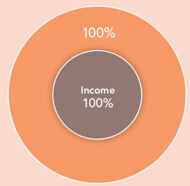
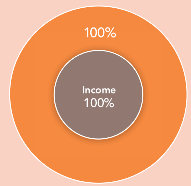
The following charts show the asset allocation and investment performance of each of the **max Super** pre-mixed investment options.

Investment Option	Growth	Balanced / Living Large (default fund)	Moderate / Fence Sitter	Conservative / Slow and Steady	Income
Return Profile	High	Med/High	Med	Med/Low	Low
Risk Profile (volatility)	High	Med/High	Med	Med/Low	Low
Rec. min. investment timeframe	7 years	5 years	5 years	3 years	3 years
Performance* Year to 30 June 2013	23.7%	18.0%	12.24%	8.0%	1.8%
Performance* since inception	2.1% (av. compound return p.a. since 5 Sept 2005)	6.1% (av. compound return p.a. since 1 Jul 2009)	2.6% (av. compound return p.a. since 1 Jul 2009)	8.5% (av. compound return p.a. since 1 Jul 2009)	4.4% (av. compound return p.a. since 5 Sept 2005)
Investment Strategy	Invest in a broad range of growth investments, with a spread of risk	Invest in a broad range of investments, with an emphasis on growth assets, with a spread of risk	Invest in a broad range of income and growth investments with a spread of risk.	Invest in a broad range of investments, with an emphasis on income assets, with a spread of risk	Invest in a broad range of income investments, with a spread of risk
Investment Objective (for each option)	To exceed the average annual inflation rate over the medium to long term by approximately 5% p.a.	To exceed the average annual inflation rate over the medium to long term by approximately 4% p.a.	To exceed the average annual inflation rate over the medium to long term by approximately 3.5% p.a.	To exceed the average annual inflation rate over the medium to long term by approximately 3% p.a.	To exceed the average annual inflation rate over the medium to long term by approximately 2% p.a.
Strategic Asset Allocation	Australian Shares International Shares Australian Property Cash International Fixed Interest Australian Fixed Interest 	Australian Shares International Shares Australian Property Cash International Fixed Interest Australian Fixed Interest 	Australian Shares International Shares Australian Property Cash International Fixed Interest Australian Fixed Interest 	Australian Shares International Shares Australian Property Cash International Fixed Interest Australian Fixed Interest 	Australian Shares International Shares Australian Property Cash International Fixed Interest Australian Fixed Interest 
Actual Asset Allocation as at 30 June 2013	Australian Shares 56% International Shares 28% Australian Property 16% Cash: 0.0% International Fixed Interest: 0.0% Australian Fixed Interest: 0.0% Unchanged from 2012	Australian Shares: 42.1% International Shares: 20.2% Australian Property: 11.8% Cash: 4.1% International Fixed Interest: 7.2% Australian Fixed Interest: 14.5% Unchanged from 2012	Australian Shares: 27.8% International Shares: 13.3% Australian Property: 7.8% Cash: 8.0% International Fixed Interest: 14.3% Australian Fixed Interest: 28.7% Unchanged from 2012	Australian Shares: 16.4% International Shares: 7.9% Australian Property: 4.6% Cash: 11.2% International Fixed Interest: 19.9% Australian Fixed Interest: 40.0% Unchanged from 2012	Australian Shares: 0.0% International Shares: 0.0% Australian Property: 0.0% Cash: 15.8% International Fixed Interest: 28.0% Australian Fixed Interest: 56.3% Unchanged from 2012

*Investment returns are calculated after taxes, fees and costs. Past performance doesn't indicate future performance.

ASSET ALLOCATION AND INVESTMENT RETURNS (ASSET OPTIONS)

The following charts show the asset allocation and investment performance of each of the **max Super** asset investment options.

Investment Option	Australian Shares	International Shares	Listed Property	Australian Fixed Int.	Int'l Fixed Int	Cash
Return Profile	High	High	High	Med/Low	Med/Low	Low
Risk Profile (volatility)	High	High	High	Med/Low	Med/Low	Low
Rec. min. investment timeframe	7 years	7 years	7 years	5 years	5 years	3 years
Performance* Year to 30 June 2013	21.1%	29.5%	21.9%	1.3%	2.6%	2.1%
Performance* since inception	-1.0% (average compound return p.a. since 1 Jul 2007)	-1.3% (average compound return p.a. since 1 Jul 2007)	-8.2% (average compound return p.a. since 1 Jul 2007)	5.1% (average compound return p.a. since 1 Jul 2007)	4.8% (average compound return p.a. since 1 Jul 2007)	2.8% (average compound return p.a. since 1 Jul 2007)
Invests in	Invests in Australian companies listed on the Australian Stock Exchange.	Invests in Overseas companies listed on International Stock Exchanges.	Investments in property or buildings via property trusts listed on the Australian Stock Exchange.	Loans to Australian governments or businesses where a fixed interest rate and loan length are agreed in advance.	Loans to Overseas governments or businesses where a fixed interest rate and loan length are agreed in advance.	Cash deposits in a bank, short-term loan securities and other similar investments.
Investment Objective	To match the performance of the market, before fees and taxes, as measured by the return of the S&P/ASX 300 Accumulation Index.	To match the performance of the market, before fees and taxes, as measured by the return of the MSCI World ex Australia Index.	To match the performance of the market, before fees and taxes, as measured by the return of the S&P/ASX 300 A-REIT Accumulation Index.	To match the performance of the market, before fees and taxes, as measured by the return of the UBS Australia Composite Bond All Maturities Index.	To match the performance of the market, before fees and taxes, as measured by the return of the Barclays Capital Global Aggregate Index (hedged in AUD)	To match the performance of the market, before fees and taxes, as measured by the return of the UBS Bank Bill Index.
Strategic and Actual Asset Allocation as at 30 June 2013	 Unchanged from 2012	 Unchanged from 2012	 Unchanged from 2012	 Unchanged from 2012	 Unchanged from 2012	 Unchanged from 2012

*Investment returns are calculated after taxes, fees and costs. Past performance doesn't indicate future performance.

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INVESTMENT NEWS (con't)

How are investment returns passed on to members?

The Fund is a "unit-linked" Fund. This means that contributions credited to your account buy investment units in the investment strategies that you have nominated.

A forward unit price for each of max Super's investment options is calculated on a daily basis, and any allotment of earnings is reflected daily in the unit price. When calculating the unit price the performance of the underlying investment pool, movements in cash flow, and any taxes, fees or costs related to the Fund (other than taxes, fees and costs deducted directly from your account), are fully taken into account. This may include estimated taxes, fees or costs or provisions for amounts payable (but not yet paid) as determined appropriate from time to time.

If the underlying investments are performing well, then generally your unit price will go up. If the underlying investments are not performing well, then generally your unit price will go down. Your annual Benefit Statement will show you your investment growth for the year.

The Trustee reserves the right to change the frequency of the calculation of unit prices, to defer applications and withdrawals, and/or to defer valuation if the Trustee believes that this is in the best interests of all members (for example, if an underlying investment fund or product becomes illiquid) or it is required to do so by law.

Investment Manager

The Trustee has selected BlackRock Asset Management Australia Limited (BlackRock) as the underlying investment manager of the Plan.

Assets above 5%

max Super invests directly into the following BlackRock funds, and each of these investments held a value in excess of 5% of the total assets of the fund at 30 June 2013:

- BlackRock Wholesale Indexed Australian Equity Fund
- BlackRock Wholesale Indexed International Equity Fund
- BlackRock Wholesale Indexed Australian Listed Property Fund
- BlackRock Wholesale Indexed Australian Bond Fund
- BlackRock Wholesale Indexed Global Bond Index Fund
- BlackRock Wholesale Indexed Cash Fund

INSURANCE COVER

Important Reminder Regarding Making claims

For Death, Total and Permanent Disablement (TPD) or Salary Continuance claims, you must advise us in writing of any claim as soon as it is reasonably possible for you to do so.

If we do not receive notice within a reasonable period of time, the Insurer may reduce or refuse to pay the benefit to the extent their assessment of the claim is prejudiced.

When does insurance cover cease?

Your insurance benefits will cease on the earliest of the following:

- You reach age 70
- A Death, Terminal Illness or Total and Permanent Disablement Benefit is paid under the Policy in respect of the insured member
- The policy is terminated
- The date the insured member or the policy owner requests cancellation of cover in writing
- 60 days after the insured member ceases to meet the insured member eligibility criteria
- 60 days after premium payments cease in respect of the insured member
- The insured member who is not an Australian permanent resident, is no longer permanently in Australia, or not eligible to work in Australia
- 60 days after the insured member ceases membership in the fund

The insurance cover (if any) applicable to you as at 30 June 2013 is shown in your Annual Benefit Statement based on information known about you at that date. The continuation of any insurance cover depends on you continuing to satisfy eligibility criteria and other terms and conditions contained in the insurance policy. Cover can cease if your personal circumstances change. The Trustee can only pay insurance benefits if a claim is accepted by the Fund's Insurer and the trust deed and relevant law allows. You can obtain a copy of the relevant insurance policy on request to the Administrator to find out full details of the terms and conditions that apply.

FEES AND COSTS

The information on fees and costs outlined below is a summary of what costs impacted your investment for the year ended 30 June 2013. See the Fund's current PDS, available from the website or on request, for more details.

Note: Past fees are not an indicator of future fees.

Fees Deducted From Your Account

Member Fee

Nil.

Plan Fee

A Plan Fee of 1.0% per annum (including GST) is payable.

This fee is deducted monthly in arrears from your Account, based on the Account Balance at the end of the month.

The plan fee also covers the fund manager fee, sometimes referred to as the Management Expense Ratio.

Operational Risk Financial Requirement Reserve

There was no reserve for the Fund in the 2012/2013 year.

Withdrawal Fee

Nil

Insurance Premiums

Death, Total & Permanent Disablement and Income Protection Benefits

Insurance Premiums will depend upon a number of factors which may include your age, your occupation, smoking habits, health status and the amount of cover. Premiums were deducted from your account monthly in arrears. Details of premium deductions are shown on your Annual Benefit Statement.

FEES AND COSTS (con't)

Buy/Sell margin

Some of the investment options carry a Buy/Sell charge levied by the investment manager. Please refer to the Fund's Product Disclosure Statement, available from the Administrator, for details of the Buy/Sell margin applicable to each option.

All Buy/Sell margins are deducted prior to the calculation of unit prices.

The Buy/Sell margin may apply when you change your investment options, and when you leave the Fund. When a Buy/Sell margin applies, the value of the amount being switched or withdrawn from an option is based on the Sell Price of the relevant units and the value of the amount invested or switched into an option is based on the Buy Price of the relevant units.

Expense Recovery

Nil.

Protection of Small Accounts

Superannuation funds are generally required to protect all members with withdrawal benefits or account balances of less than $1,000 as at 30 June or the date of leaving the fund (if the benefits or account include or have included mandated contributions). Protection means that administration fees charged directly to a member's account must not exceed the investment earnings credited to that account. (This protection does not extend to government charges, taxation, insurance premiums or fees and costs that are deducted prior to investment earnings being credited. Different arrangements may apply in poor investment periods).

The costs associated with providing member protection to small account balances are charged against the Fund's earnings as additional expense recoveries and their impact is reflected in the unit prices for each investment.

Please note that, due to recent legislative changes, Member Benefit Protection will no longer apply from 1 July 2013.

GENERAL INFORMATION

Accessing your Super

Superannuation benefits can remain in a superannuation fund until you die. However, in certain circumstances you may be able to access your super. In general, if you are an Australian resident, New Zealand citizen or permanent resident, you cannot access your benefit in cash until you are aged 65, or you attain your preservation age and have retired from employment.

Access to your super will depend upon the "preservation" classification that applies to some or all of your superannuation Account. There are three classes of preservation: Unrestricted Non-Preserved Benefits; Restricted Non-Preserved Benefits; Preserved Benefits.

Unrestricted Non-Preserved Benefits

These are benefits that are generally rolled-over from another superannuation fund which could have been cashed at a previous point in time. These benefits can be paid out at any time

Restricted Non-Preserved Benefits

These are benefits which are not preserved but which cannot be cashed until you leave service with your current employer. These become unrestricted non-preserved benefits when you leave the service of your current employer.

Preserved Benefits

Preserved benefits include members' tax deductible contributions, employers' compulsory contributions and any new or increased employer contributions arising from agreements on or after 22 December 1986. From 1 July 1999 all contributions made into superannuation (personal and employer contributions) plus investment earnings must be fully preserved.

If you are an Australian resident, New Zealand citizen or permanent resident, preserved amounts must remain in a complying superannuation fund, approved deposit fund or retirement savings account until you meet a condition of release including you.

- reach age 65
- permanently retire after reaching your preservation age as per the table below
  cease an employment arrangement on or after age 60
- die
- suffer a terminal illness condition, as defined in superannuation law at the relevant time
- become permanently incapacitated, as defined in superannuation law at the relevant time

GENERAL INFORMATION (con't)

- reach your preservation age and elect to access some or all of your superannuation in the form of a non-commutable income stream and remain employed in either a full-time or part-time basis
- suffer financial hardship (subject to meeting eligibility criteria – see below for more information)
- qualify on compassionate grounds (see below for more information)
- cease employment with a balance of less than $200.

Preservation Age	
Date of Birth	Preservation Age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 1 July 1964	60

Access to your super in special circumstances

The criteria set by the Government for early access to your preserved superannuation benefits is quite strict - Three grounds upon which you can apply are Compassionate Grounds, Severe Financial Hardship, or Terminal Illness. These are summarised below.

Compassionate Grounds

You may qualify to access your benefits on compassionate grounds if you need to cover expenses that you or your dependants incur for:

1. treatment and transport for you or a dependant concerning life threatening illness or injury, acute or chronic pain, or acute or chronic mental disturbance; OR
2. modifying your home or motor vehicle if you or a dependant has a severe disability; OR
3. palliative care for you or a dependant, or the death, funeral, or burial of a dependant; OR
4. mortgage payments to prevent your lender selling your principal place of residence.

Decisions regarding release of benefits on compassionate grounds are made by the Department of Human Services (DHS) who can be contacted by phoning 1300 13 10 60 or go to www.centrelink.gov.au.

GENERAL INFORMATION (con't)

Severe Financial Hardship

To be considered eligible for early release of your benefit on severe financial hardship grounds, you must first satisfy eligibility criteria summarised below.

You need to be:

- In receipt of Commonwealth income support and have been so for a continuous period of at least 26 weeks and unable to meet reasonable and immediate family living expenses.

If you are over age 55 plus 39 weeks you need to meet the above criteria or be:

- In receipt of Commonwealth income support for a cumulative period of at least 39 weeks after reaching your preservation age; and
- Not gainfully employed either full-time or part-time at the time of application.

Decisions on the release of benefits on severe financial hardship are made by the Trustee.

You may be required to provide proof for Compassionate Grounds and Severe Financial Hardship claims to be accepted. Limits on the amount able to be released at any one time (or in a 12 month period) apply (depending on the grounds of release). For more information contact the Fund Administrator. Please note that DHS or the Trustee must assess each case on its own merits - approval of your claim is not automatic.

Terminal Illness

The account balance (and any applicable insurance amount) may be released to a member where two medical practitioners (at least one of whom is a specialist) have certified that the member is suffering from an illness that would normally result in death within 12 months.

Note: different conditions of release apply to temporary residents. Temporary residents cannot access their super in all of the circumstances outlined above (For further details contact the Fund Administrator). On expiry of their visa and departure from Australia, a former temporary resident can access their super benefits as a Departing Australia Superannuation Payment (DASP).

Rollovers or Transfers to other funds - Compulsory Portability

Although you may not be able to access preserved or restricted non-preserved benefits, compulsory portability arrangements enable you to rollover or transfer superannuation accounts into a fund of your choice.

You may ask us for information you reasonably require for the purpose of understanding any benefit entitlements that you may have, including any fees or charges that may apply to a proposed rollover or transfer and information about the effect of the proposed rollover or transfer on any entitlements. However we cannot provide you with financial advice that takes into account your personal situation. You should seek such advice from a licensed or authorised financial adviser.

GENERAL INFORMATION (con't)

Contributing to the fund

How much does your employer have to contribute

Up until recently, the Superannuation Guarantee (SG) legislation generally required most employers to make contributions of 9% of an eligible employee's ordinary time earnings (as defined). The applicable percentage increased to 9.25% from 1 July 2013 and will gradually increase to 12% in future years. (Please note: some employees are exempted from the SG legislation). This ensures all eligible employees are treated the same for super guarantee purposes.

Employers do not need to pay SG contributions in certain circumstances, for example, when you have earned less than $450 in a month. Nor do they need to pay SG contributions on that component of salary greater than $45,750 (2012/2013 Financial Year) or $48,040 (2013/2014 Financial Year) for the quarter, unless an employment contract provides otherwise.

Other than the contribution rules stipulated in the superannuation legislation (summarised on the next page), the Fund has no additional rules regarding the amount or frequency of contributions.

Employers may, at their discretion, contribute more than the amount required under the SG legislation.

Employers must pay eligible employee's SG contributions at least every quarter, subject to penalty provisions and any late contribution arrangements that may apply from time to time. The due dates for quarterly SG contributions, are shown below:

SG Quarter	Due date for SG payment
1 July – 30 September	28 October
1 October - 31 December	28 January
1 January - 31 March	28 April
1 April - 30 June	28 July

Employers should be aware that the penalties for non-payment can apply and may be substantial.

Changes to the Superannuation Guarantee (SG)

The SG contribution percentage will gradually increase from 9% to 12% between 1 July 2013 and 1 July 2019.

For the 2012/13 financial year, SG contributions end at age 70. From 1 July 2013 there is no longer a maximum SG age limit. Eligible employees aged 70 or over will be entitled to also receive SG contributions.

For further information about the SG requirements, contact the ATO's Superannuation Guarantee Help Line on 13 10 20, or visit their web site at www.ato.gov.au/super.

How much do members have to contribute

There is no statutory requirement for members to make personal contributions. However, to maximise your retirement savings, members may contribute.

This Fund has no rules regarding the amount or frequency of personal contributions.

Where an employer agrees to deduct personal contributions from an employee's net pay, these must be forwarded to the Fund within 28 days from the end of the month in which they were deducted.

Contribution rules

Superannuation laws dictate when the Trustee can accept contributions from you. If you are aged between 65 and 74, the Trustee may accept all mandated employer contributions (that is a contribution that is compulsory because it is required by law or an employment arrangement). The Trustee can also accept voluntary employer contributions (such as salary sacrifice arrangements) from your employer if you are aged under 75, provided that you have worked at least 40 hours in not more than 30 consecutive days in the financial year in which the payments are made. Below is a table to assist you to work out the eligible contributions that may be made to the Fund.

Age group	Superannuation Guarantee	Award or other mandated employer arrangement	Voluntary	Member Contributions
Under age 65	Yes	Yes	Yes	Yes
Age 65 - 69	Yes	Yes	Only if you have worked at least 40 hours in not more than 30 consecutive days in the financial year (called the 'work test')	Only if you have worked at least 40 hours in not more than 30 consecutive days in the financial year (whether made by you or on your behalf, e.g. a spouse)
Age 70 - 74	Yes (from 1 July 2013)	Yes	Only if you have worked at least 40 hours in not more than 30 consecutive days in the financial year	Only if made by you personally and you have worked at least 40 hours in not more than 30 consecutive days in the financial year
Age 75 and over	Yes (from 1 July 2013)	Yes	No	No

GENERAL INFORMATION (con't)

Superannuation funds cannot accept a non-concessional contribution in excess of a member's non-concessional contributions limit or member contributions for a member whose TFN is not held by the fund. Please note that the Trustee does not monitor whether a member will exceed their non-concessional limit. While the Trustee does assess whether individual contribution amounts exceed the non-concessional cap, it is the member's responsibility to monitor or manage the total amount of their contributions for tax purposes. Refer to the Superannuation and Taxation section of this document for information about non-concessional contributions.

Contributions made in contravention of the contribution rules must be refunded by the Trustee in certain circumstances. A refund may be adjusted for any permissible investment fluctuations, reasonable costs and insurance premiums for cover provided prior to the refund.

Contributions splitting with your spouse

Superannuation legislation allows a member to split contributions with their spouse (including a defacto spouse of the same or opposite sex). Not all superannuation funds offer contributions splitting, but as a member of the Fund, you can take advantage of this facility.

Concessional contributions such as superannuation guarantee, salary sacrifice contributions and personal deductible contributions can be split. It is not possible to split personal non-deductible contributions.

Ordinarily only 85% of concessional contributions may be split because 15% of these contributions are deducted and paid as tax to the Australian Taxation Office after they are paid into the Fund. The amount of concessional contributions that can be split is also subject to a maximum of your concessional contributions limit in the relevant year.

You should also note that certain amounts in your account may not be split, such as benefits subject to a family law payment split or payment flag or rollovers from other funds.

Generally, only contributions made in the financial year prior to the financial year when the contributions splitting application is lodged can be split. You can also apply to split contributions made in the financial year in which you transfer or rollover to another fund (provided the application is made before the transfer or rollover occurs).

The Trustee may make any adjustments it considers appropriate to a splittable amount, for example, to cater for tax.

How does contributions splitting work?

The Trustee will keep records of the amount of contributions which you are eligible to split with your spouse for a given financial year and should you wish to make a contributions split we will provide details of those contributions with an application form which must be completed and sent back to us so that the contributions split can be effected.

Please note that your spouse must be either:

- aged less than their preservation age; or
- between their preservation age and 65 and not permanently retired.

Your spouse will be required to provide a statement to this effect as part of the application. You can only make one application per financial year and the Trustee may reject any application without providing reasons.

If your application is accepted, the Trustee will pay the split contributions to the superannuation account of your spouse within 90 days of receiving the application.

The usual withdrawal fee will apply to any amounts split (refer to the Fees and Costs section of this document for more information).

Government Co-contributions

The Government Co contribution is a contribution, made by the Government, to the superannuation account of eligible low and middle income earners (including self-employed persons) who pay personal after-tax (or non-concessional) contributions to superannuation. The maximum co contribution payable by the Government is $500, based on $0.50 from the government for every dollar $1 you contribute, where a person's eligible income (including reportable fringe benefits and reportable employer superannuation contributions such as salary sacrifice contributions) for a financial year is below $31,920. For the 2013/14 financial year, this has increased to $33,516.

The maximum co contribution payable is reduced as income increases, phasing out at $46,920 and, for the 2013/14 financial year, $48,516.

The income thresholds may change. For more information about the Government co-contribution (including income thresholds applicable from year to year and full eligibility criteria) refer to www.ato.gov.au.

GENERAL INFORMATION (con't)

Choice of Superannuation Fund

Government laws may allow you to choose which superannuation fund you wish to join, as long as the fund complies with certain requirements. That is, it is an "eligible choice fund".

Upon choosing a fund which is different to that nominated by your employer, you will be required to provide written details of the fund, and written evidence that it will accept your employer's contributions.

If you do not select a fund or you select a fund that is not an eligible choice fund, your contributions will be paid to a default fund selected by your employer.

For more information, contact your employer or go to www.ato.gov.au/super.

Family Law and your Super

Couples divorcing or separating (including, under recent Government reforms to the family law legislation, qualifying defacto spouses of the same or opposite sex) may be able to divide their superannuation benefits by agreement or by court order.

This may impact on members of the Fund who, in the event of a relationship breakdown, make a financial arrangement or have an order made by the Family Court.

The Trustee may be required to provide certain information about your account to certain 'eligible persons' (including a member's spouse) and in certain instances without notifying you of the enquiry.

A payment flag may be placed on your benefit in the Fund through an agreement between you and your spouse or though a court order. The presence of this flag requires us to prevent certain types of withdrawals from being made from the Fund. While provisions of the family law legislation permit the charging of a reasonable fee for the administration of the family law transactions, the Fund will not charge you a fee.

GENERAL INFORMATION (con't)

Proof of identity

As a result of Government reforms designed to counteract money laundering and terrorism financing (AML/CTF legislation), the Trustee must adhere to a range of obligations including customer identification and verification, ongoing customer due diligence and reporting suspicious matters to AUSTRAC (the government body responsible for administering the AML/CTF legislation). The Trustee has established an AML/CTF Program under which you may be required by the Fund Administrator to provide proof of identity in situations such as:

Notifying us of a name change;

- Requesting to cash in some or all of your super;
- Requesting to transfer some or all of your super to another superannuation fund;
- Requesting information about your account or authorising release of information regarding your account to a third party.

The only acceptable Proof of Identity documents are either:

- An original or certified copy of a current primary photographic identification document such as a passport or driver's licence;

OR

- Both of an original or certified copy of a primary non-photographic identification document such as a birth certificate, citizenship certificate or Centrelink pension or health card AND an original or certified copy of a secondary identification document such as an assessment issued by the Australian Taxation Office within the preceding 12 months that contains your name and residential address or a rates notice issued within the preceding 3 months that contains your name and residential address or a Centrelink letter addressed to you within the preceding 12 months regarding a Government assistance payment.

If you have changed your name or are signing on behalf of the member, you will need to provide a certified linking document. A linking document is a document that proves a relationship exists between two (or more) names.

There are specific requirements regarding how documents are to be certified, and what type of document is to be supplied. Please contact the Fund Administrator on 1300 629 787 for more information.

Tax File Numbers and your super

Under the Superannuation Industry (Supervision) Act 1993 (SIS), the Fund is authorised to collect your TFN, which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. The Trustee of the

GENERAL INFORMATION (con't)

Fund may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request the Trustee in writing that your TFN not be disclosed to any other superannuation provider.

It is not an offence not to quote your TFN. However giving your TFN to the Fund will have the following advantages (which may not otherwise apply):

- The Fund will be able to accept all types of contributions to your account;
- The tax on contributions to your account will not increase;
- Other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
  It will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

Note: From 1 July 2007, employers are under stricter obligations to quote TFNs of their employees to their superannuation funds. However this does not always occur so you should ensure we have your TFN.

If you have not provided your TFN to your Fund (or you are not sure whether we hold it), you can:

- Call the Fund Administrator on 1300 629 787 to advise your TFN or request a TFN Collection Form;
- Download a TFN Collection Form from the Forms page at www.maxsuper.net.au

AND

Post it to: **max Super**
Reply Paid 3528
PO Box 3528
Tingalpa DC QLD 4173

TAXATION AND SUPERANNUATION

This section is designed to give you an overview of the taxation of superannuation as at September 2013. It does not contain information about Government proposals relating to the taxation of superannuation. Further information, including updates to government thresholds, is available from www.ato.gov.au. The Government has proposed some changes to some of the taxation and superannuation information summarised below. If you would like to find out more contact the Fund Administrator or go to www.ato.gov.au.

Contributions Tax

The tax treatment of contributions depends on whether they are concessional contributions or non-concessional contributions. There are Age Based annual contribution limits, as shown below:

Contribution Classification	2012/2013	2013/2014
Concessional Contributions Limit - under age 50	$25,000 pa	$25,000 pa
Concessional Contributions Limit - age 50 or over	$25,000 pa	$35,000 pa
Non-concessional Contributions Limit	$150,000 pa	$150,000 pa

Concessional contributions include deductible employer (including salary sacrifice contributions) and self-employed contributions. Non-concessional contributions include member (after tax) contributions. Concessional contributions in excess of these limits will, up to and including the 2012/13 financial year, incur additional tax of 31.5% payable directly by the individual member. This amount may be released from a superannuation fund upon presentation of a release authority issued by the Australian Taxation Office (Australian Taxation Office Release Authority). Any excess concessional contributions will also count towards the amount of a member's non-concessional contributions limit.

If the Fund does not hold your TFN by the end of the year in which contributions are received, your concessional contributions (called no-TFN contributions) will be taxed at the rate of an additional 31.5%. A superannuation fund may (but is not obliged to) recover any additional tax paid by it in respect of your no-TFN contributions if the Fund is subsequently provided with your TFN (within 3 years after the year in which the contributions were received). The Trustee will make reasonable endeavours to recover such tax but does not guarantee it will do so in the event that a member has left the Fund prior to receiving the member's TFN.

For 2013-14 and later years, any amount over the concessional contributions cap will be included in your assessable income and taxed at your income tax marginal rate.

TAXATION AND SUPERANNUATION (con't)

People under age 65 can bring forward 2 years of future non-concessional contributions averaged over a three year period, giving them a limit of $450,000 over a three year period. Once a person turns age 65 they will be able to make non-concessional contributions of up to $150,000 in each financial year provided they satisfy the work test in each relevant year. Non-concessional contributions in excess of these limits will incur tax at the rate of 46.5% payable directly by the individual. This amount must be released from a superannuation fund upon presentation of an Australian Taxation Office Release Authority.

Changes to contribution tax for high income earners

Tax and Superannuation Laws Amendment (Increased Concessional Contributions Cap and Other Measures) Bill 2013 and Superannuation (Sustaining the Superannuation Contribution Concession) Imposition Bill 2013 received Royal Assent on 28 June 2013.

These Acts contained measures to:

- Increase the concessional contributions cap temporarily to $35,000 for individuals aged 60 years and over for the 2013-14 financial year, and to $35,000 for the 2014-15 financial year and later financial years for individuals aged 50 years and over.
- Make technical changes to ensure the low income superannuation contribution operates effectively.
- Increase the tax on superannuation contributions of high income earners (for those earning more than $300k) by 15 per cent for the 2012-13 income year and later income years.

Note: Spouse contributions will be included in the receiving spouse's cap. Government co-contributions, personal contributions made from certain proceeds from the disposal of qualifying small business assets up to a lifetime (dollar) limit which varies from year to year and personal contributions from proceeds from certain payments for personal injury resulting in permanent disablement made within 90 days of receiving the payment will not count towards the non-concessional contributions cap.

Superannuation Surcharge Tax

The superannuation surcharge has been abolished for superannuation contributions made from 1 July 2005 but may still apply to amounts prior to 1 July 2005 under late assessments issued by the Australian Taxation Office.

If a member is subject to the Superannuation Surcharge Tax in respect of amounts prior to 1 July 2005, any amounts owing to the Australian Taxation Office will be deducted from the Member's account and shown separately on their Annual Benefit Statement.

TAXATION AND SUPERANNUATION (con't)

Tax Deductibility of Contributions

An employer is generally entitled to a full deduction for all contributions to superannuation on behalf of employees under age 75. Certain criteria must be met including that the employee is engaged in producing the employer's assessable income. Contributions made within 28 days of the end of the month in which an employee turns 75 or required to be made under an industrial award or other prescribed arrangements (after age 75) may also be deductible.

Self-employed people or other eligible persons (with less than 10% of their assessable income and reportable fringe benefits, reportable employer superannuation contributions or other amounts included as income for assessment of a person's eligibility for a tax deduction) are generally entitled to a full deduction for superannuation contributions under age 75, provided certain conditions are met. Persons aged under 18 are subject to special rules. To obtain the deduction, a notice of intention to claim a tax deduction (Deduction Notice) must be submitted to the Fund by the earlier of:

- the time of lodgement of the person's tax return, or
- the end of the financial year following the year the contribution was made.

The Deduction Notice must be acknowledged by the Trustee. The Trustee can refuse to acknowledge a Deduction Notice in certain circumstances (for example, the person's account balance does not contain sufficient monies to meet the tax applicable to deductible contributions or you have left the Fund).

Tax Rebate for Spouse Contributions

A tax rebate may apply for superannuation contributions made by a taxpayer on behalf of a spouse, subject to meeting eligibility criteria including:

- Contributions can be made for the receiving spouse under contribution rules in superannuation legislation
- The contributions are not deductible to the contributing taxpayer;
- The taxpayer and spouse are residents of Australia at the time contributions have been made;
- The spouse's income is less than $13,800.

The rebate is 18% of contributions up to $3,000 to a maximum rebate of $540. The rebate will reduce $1 for every $1 the eligible spouse's income is above $10,800. The eligible spouse's income includes assessable income, reportable fringe benefits and, from 1 July 2009, reportable employer superannuation contributions.

TAXATION AND SUPERANNUATION (con't)

Please be aware that the Federal Government has passed a range of legislation to provide same sex spouses the same treatment as other spouses (subject to a fund's trust deed). These reforms mean that the spouse contributions rebate is available in respect of contributions made for a qualifying same sex spouse (from 1 July 2010).

Please consult your financial adviser for more information.

Salary Sacrifice Contributions (Expanded definition of income for various tax programs)

An expanded definition of income applies from 1 July 2010, when assessing a person's entitlement to various government programs, including tax benefits relating to superannuation such as tax deductions for personal contributions, the Government co-contribution and spouse contributions rebate. Under this definition, reportable employer superannuation contributions are treated as income. Reportable employer superannuation contributions are generally amounts salary sacrificed. Members who currently make salary sacrifice contributions to the Fund may wish to review their circumstances before making the necessary contribution to superannuation in the coming year.

Tax On Investment Earnings

The Fund's earnings are taxed at a lower rate than most other forms of savings. The maximum rate is 15%. The rate may be lower depending on deductible expenses and other tax credits available to the Fund.

You pay no personal income tax on the investment earnings of your account while your superannuation savings remain in the Fund.

Rollovers and Transfers

Superannuation rollovers and transfers are not generally taxed when invested in the Fund. An exception to this is where your rollover or transfer is from an untaxed source, which may include your former employer or an unfunded superannuation scheme (for example, some public sector superannuation schemes).

Special rules also apply to the treatment of employer eligible termination payments (payable directly by an employer), certain disablement amounts on settlement of a disability claim (outside of superannuation), proceeds from the sale of a small business and superannuation sourced from a foreign superannuation fund. If you are going to receive any of these amounts or are considering payment of them into superannuation, we recommend you obtain appropriately qualified advice

TAXATION AND SUPERANNUATION (con't)

Taxation of Benefits (other than death benefits)

Benefits paid to you from your superannuation fund may be subject to taxation depending on your age.

In general, lump sum benefits paid to persons age 60 or over are tax free (if paid from a taxed source). Tax is payable on lump sum benefits paid to persons under age 60, as outlined in the following table:

Age / status	Component and tax treatment
Age 60 or over	Tax free
Preservation age (generally age 55) to age 59	Tax free component* is tax free. Taxable component** up to a specified threshold*** is tax free.The amount above a specified threshold*** is taxed at 15% (plus Medicare levy).
Less than preservation age	Tax free component* is tax free. Taxable component** taxed at 20% (plus Medicare levy)

* The tax free component consists of amounts such as the accumulation of non-concessional contributions, pre July 1983 components and invalidity components. If you would like more information about these components contact the Fund by email to maxteam@maxsuper.net.au or by telephone to 1300 629 787.

** The taxable component is the amount of a benefit less the tax free component and consists of amounts such as the accumulation of concessional contributions. If you would like more information about these components contact the Fund by email to maxteam@maxsuper.net.au or by telephone to 1300 629 787.

*** The specified threshold is $180,000 for the 2013/2014 financial year
Go to www.ato.gov.au for the threshold applicable from year to year.

If your benefit includes an untaxed element, tax may be applicable. In addition, when any benefit is paid from the Fund, it must comprise both tax-free and taxable components, in the same proportions as your total benefit. You cannot nominate to withdraw specific components of your benefit. If the Fund does not have your TFN at the time a benefit is paid, tax may be deducted from the taxable component at the top marginal tax rate, plus the Medicare levy.

TAXATION AND SUPERANNUATION (con't)

Tax on death benefits

Where a death benefit is paid to a 'dependant for taxation purposes' (regardless of age – see below) the benefit will usually be tax free.

A death benefit paid to a 'non-dependant for taxation purposes' can only be paid as a lump sum. In this instance the tax free component (as outlined above) is tax free, whilst the taxable component is taxed at 16.5%, inclusive of Medicare Levy. Where a non-dependant receives an insurance payout as part of the death benefit, a portion of this amount may be an element untaxed (relating to the future service period of the insurance amount). Any element untaxed of the death benefit will be taxable at the maximum rate of 31.5%, inclusive of Medicare Levy. Tax on any taxable component may be higher if the fund does not hold your TFN.

Where a death benefit is received by the legal personal representative of a deceased estate, tax is generally determined according to who will eventually receive the death benefit from the estate.

A dependant for taxation purposes is a spouse, a former spouse, a child under 18 and any other person who was financially dependent on, or had an interdependency relationship with, the deceased member. It does not include an adult child aged 18 or more (unless they were financially dependent or had an interdependency relationship with the deceased member).
Note that this definition of dependant differs from that applicable to a trustee's determination about the distribution of death benefits (see page XX for further information). From 1 July 2008, the concessional tax treatment applied to death benefits has been extended to qualifying same sex partners and their children through changes to the income tax laws which expand the concept of "dependants".

Tax on terminal illness benefits

Superannuation lump sum benefits paid to a person who has a terminal medical condition are tax free, provided criteria in taxation laws are met.

Income Protection Benefits

Income protection insurance benefits are paid as taxable income and, like salary and wages, attract pay-as-you-go tax at your marginal tax rate. The tax is deducted and remitted to the Australian Taxation Office before the benefit is paid. Higher tax applies if the Fund does not hold your TFN.

Departing Australia Superannuation Payments (DASPs) & Treatment of Temporary Residents

If you enter Australia on a temporary visa you are entitled to receive your superannuation benefit once you leave Australia permanently and your visa has expired (except for certain visa sub-classes). This type of payment is known as a Departing Australia Superannuation Payment (DASP). The tax rates payable in respect of a DASP are as follows:

- Tax free component - Nil
- Taxable component 35%

Superannuation funds are, under certain circumstances, required to transfer a temporary resident's superannuation to the Australian Taxation Office (ATO) following their departure from Australia. Such a transfer would only occur when at least 6 months has passed since a temporary resident's visa had ceased to be in effect, the temporary resident had left Australia and not taken his/her benefit. A member can subsequently access his/her benefit from the ATO. The ATO can be contacted on 13 10 20. We are not obliged to notify or give an exit statement to you if we transfer your superannuation to the ATO following departure from Australia.
There are now limited conditions of release available to a member who is or was a temporary resident. Accounts in respect of all temporary resident members (irrespective of whether or not they have left Australia) will only be able to be released under the following conditions:

- Death
- Terminal medical condition
- Permanent incapacity
- Departing Australia permanently-applies to temporary residents who apply in writing for release of their benefit.
- Trustee payments to the ATO under the Superannuation (Unclaimed Money and Lost Members) Act 1999
- Temporary incapacity and/or
- Release Authorities under the Income Tax Assessment Act 1997

Note: If you are a New Zealand citizen or you become an Australian citizen or permanent resident these changes will not apply to you.

If you are a former temporary resident whose superannuation benefits are transferred to the ATO as unclaimed money, you may not be notified of this or receive an exit statement after the transfers occurs. The Trustee will rely on relief provided by the Australian Securities & Investments Commission (ASIC) Class Order [CO 09/437] which says, in effect, that the trustee of a superannuation fund is not obliged to meet certain disclosure requirements in relation to non-residents that have ceased to hold an interest in the fund as a result of the payment of unclaimed superannuation to the Commissioner of Taxation. If you require any further information, contact the Fund Administrator on 1300 629 787. Further information can be found obtained from the Australian Taxation Office website (www.ato.gov.au) or by contacting the Fund Administrator on 1300 629 787.

Goods and Services Tax

All fees and charges applicable to the Fund are subject to GST. GST is payable to the Australian Taxation Office and is not revenue passing to the Trustee or the Administrator.

All tax credits received by the Fund will be allocated to members through a combination of fee credits and investment income.

No-TFN Tax

TFNs may be quoted to a superannuation fund by a member or the member's employer.
From 1 July 2007, stricter obligations are imposed on employers to pass on TFNs for employees.

The Superannuation Industry (Supervision) Regulations (SIS Regulations) prevent a fund accepting certain contributions (or require refunding certain contributions within a specified timeframe) where a TFN is not held by a fund.

The Trustee reserves the right to take whatever steps it considers appropriate to manage its tax liability where a member's TFN is not held, including rejecting concessional contributions for the member or deducting any additional tax from concessional contributions as they are received.

This Trustee's policy in relation to these requirements can be summarised as follows:

1. A TFN must be provided for all new members who join the Fund after 30 June 2007.
2. Member contributions can only be accepted, for or on behalf of a member, if the member's TFN has been quoted to the Fund.
3. Where a TFN is not held for a member who was a member as at 30 June 2007, tax (No-TFN tax) will be withheld at an additional rate of 31.5% plus the Medicare levy if the member's concessional contributions exceed $1,000 during the financial year.
4. Where a TFN is not held for a member who joins the Fund on or after 1 July 2007, the $1,000 threshold does not apply – tax must be withheld on all concessional contributions at the additional rate of 31.5%. plus the Medicare levy.
5. The higher tax (No-TFN Tax) must be withheld and remitted to the ATO if the TFN has not been quoted by 30 June each year.
6. If the TFN is quoted to the Fund within the 3 year period following the year in which the No-TFN Tax is assessed, the Fund can claim a refund from the ATO. While there is no obligation for a refund to be claimed, any refunds received from the ATO will be credited to a member's account as soon as practicable following receipt of the refund from the ATO. If at the time of receiving the refund, the member has left the Fund and the Administrator has the details o the member's new fund, the refund will be forwarded to the new fund (after taking into account any relevant earnings, fees, costs and taxes) as soon as practicable. While the Trustee will make reasonable endeavours to recover such tax, it does not guarantee it will do so in the event that a member has left the Fund prior to receiving the member's TFN.

Where No-TFN Tax is payable, the amount of tax due for the financial year will be deducted from your account at the end of the financial year, or upon full withdrawal from the Fund, if earlier, and then paid to the Australian Taxation Office. This means that your account balance at 30 June, or when you leave the Fund, may be less than the balance during the year – for example, the No-TFN tax due for the 2012/2013 financial year will not have been deducted from your account until 30 June 2013.

TAXATION AND SUPERANNUATION (con't)

This allows time for you to quote your Tax File Number to your Fund in order to avoid having the No-TFN tax deducted from your account.

Note: While employers are under stricter obligations to quote TFNs of their employees to their superannuation funds, this does not always occur so you should ensure we have your TFN.

If you have not provided your TFN to your Fund (or you are not sure whether we hold it), you can:

- Call the Fund Administrator on 1300 629 787 to advise your TFN or request a TFN Collection Form;
- Download a TFN Collection Form from the Forms page at www.maxsuper.net.au

AND

Post it to: **max Super**
Reply Paid 3528
PO Box 3528
Tingalpa DC QLD 4173

There is a note in the top right hand corner of the first page of your Annual Benefit Statement to tell you whether or not the Fund has your TFN. If we do not have your TFN, we strongly recommend that you let us know as soon as possible.

More information about the extra tax applicable where the Fund does not hold your TFN (No TFN tax) appears later in this report.

The laws relating to the taxation of superannuation are complex. This summary does not take into account your personal situation. We recommend that you seek professional advice about the impact of the tax rules on you before making any decisions in relation to the Fund including before you actually receive your benefit.

Payment of small and insoluble lost accounts to unclaimed monies

Under Federal Government (Unclaimed Money) legislation, there are a number of circumstances in which superannuation must be paid to the Australian Taxation Office as unclaimed money.

From 30 December 2012, a lost member account of a fund is taken to be unclaimed super if it does not relate to a defined benefit interest, the member is a lost member, and:

- the balance of the lost member account is less than $2,000 (small lost member account), or

TAXATION AND SUPERANNUATION (con't)

- the lost member account has been inactive for a period of 12 months and the provider is satisfied that it will never be possible to pay an amount to the member (insoluble lost member account).

A person is taken to be a lost member if they are either uncontactable or inactive (as defined in regulations).

A former temporary resident's superannuation benefit must be paid to the Australian Taxation Office as unclaimed money where it has been at least six months since they have departed Australia and their visa has lapsed AND the Australian Taxation Office issues a notice to the Fund requesting the benefit be paid to the Australian Taxation Office. If this happens, you have a right, under the Government's legislation, to claim your super money directly from the Australian Taxation Office (subject to the applicable tax rates).

Further information can be found obtained from the Australian Taxation Office website (www.ato.gov.au).

- **If you are a former temporary resident whose superannuation benefits are transferred to the ATO as unclaimed money, you may not be notified of this or receive an exit statement after the transfers occurs. The Trustee will rely on relief provided by the Australian Securities & Investments Commission (ASIC) Class Order [CO 09/437] which says, in effect, that the trustee of a superannuation fund is not obliged to meet certain disclosure requirements in relation to non-residents that have ceased to hold an interest in the fund as a result of the payment of unclaimed superannuation to the Commissioner of Taxation. If you require any further information, contact the Fund Administrator on 1300 629 787.**

Keeping up to date with your super on the internet

You can obtain forms, investment updates, updates to Investment Fund PDS for Single Manager options, and other general information via the Administrator's web site – www.maxsuper.net.au

Keeping your super together

If you have worked for more than one employer, then it is likely that you will have been in more than one superannuation fund. If you don't roll over your super when you change jobs, it is likely that you will still have more than one superannuation account, and this can lead to duplication of costs - or you might even lose track of your older accounts.

If you do have other accounts that you would like to transfer into the Fund, simply complete a Transfer Authorisation form for each account and forward it to the Administrator. The Transfer Authorisation Form can be downloaded from the Forms page at www.maxsuper.net.au, or copies can be ordered from the Administrator by calling 1300 629 787. Before requesting a transfer, check what fees may be charged by your other fund or whether you lose any benefits (e.g. Insurance benefits).

Sometimes people lose track of their old superannuation accounts - estimates indicate there are in excess of 6 million accounts held on behalf of members who are classified as lost. So, if you have lost track of an old super account, you are not alone.

Keeping your dependants up-to-date

A person's situation can change during a year – you might get married, have children, become divorced, or there may be some other change to your domestic situation. When these types of changes do occur, it is important to take the time to review how these changes might be relevant to the dependants you have nominated for your superannuation fund.

Your Fund provides for binding nomination to be placed on your account.

Binding nomination

When you make a valid Binding Nomination of Beneficiary, you override the Trustee's discretion in determining who should receive your superannuation benefits in the event of your death. This means that the Trustee must pay the benefits to the beneficiaries specified by you and in the proportions that you specify provided your nomination is valid when you die.

A Binding Nomination of Beneficiary expires three years after the date on which you sign and date the Binding Nomination of Beneficiaries form. If you do not make another nomination at that time, your binding nomination will no longer be valid and the Trustee will have discretion to decide to whom the benefit is paid.

TAXATION AND SUPERANNUATION (con't)

It is also important to be aware that if you nominate a person who is not a dependant, your nomination will be invalid and the Trustee will be required to decide to whom the benefit is paid.

Nominated beneficiaries may include eligible dependants and or your legal personal representative.

A dependant is your spouse or any child, or any other person who is financially dependent on you or interdependent at the time of your death.

From 1 July 2008, a couple will be regarded as "spouses" to each other where they are legally married, living with each other on a genuine domestic basis in a relationship as a couple or, in certain circumstances, have registered their relationship under State or Territory laws.
This means that same sex spouses may qualify as dependants for superannuation and tax purposes.

From 1 July 2008, a "child" includes a child of the member or of spouse of the member (including an adopted child, step-child or ex-nuptial child or someone who is a child within the meaning of the Family Law Act 1975).

A financial dependant is not necessarily someone who depended on a member totally for financial support. A person might claim to be a financial dependant even if they were only partially financially dependent on a member. Financial dependency may include a dependency on the member for payments of bills, rent, maintenance payments and shared financial commitments such as a mortgage.

Two people have an interdependency relationship if:

- they have a close personal relationship;
- they live together;
- one or each of them provides the other with financial support; and
- one or each of them provides the other with domestic support and personal care.

In addition, if a close personal relationship exists but the other requirements above are not satisfied because of a physical, intellectual or psychiatric disability (e.g. one person lives in a psychiatric institution suffering from a psychiatric disability), then an interdependency relationship may still exist.

The taxation of death benefits will depend on who receives the benefits. See information about tax earlier in this report or the Fund's current PDS, available from the website or on request, for a general summary of relevant taxation rules. For more information about the tax implications for your personal circumstances, we suggest you obtain appropriately qualified advice from a professional adviser.

You may revoke or change your nomination at any time by completing a new Nomination form available from the Administrator. Forms are also available from the website – www.maxsuper.net.au

ENQUIRIES AND COMPLAINTS

One of the key features of legislation governing the operation of superannuation funds is that funds must establish a procedure to deal with enquiries and complaints. All efforts will be made to produce a satisfactory resolution to all parties.

What is an Enquiry?

An enquiry is a request to answer any question or provide further information in relation to the Fund. The Trustee is obliged to provide you with any information you may require to understand your benefits. Most enquiries are reasonably straightforward and these can be dealt with by the Fund contact:

Resolution Manager
max Super
Reply Paid 3528
PO Box 3528
Tingalpa DC QLD 4173
Phone: 1300 629 787

If you do not receive a satisfactory response within 28 days, you should immediately contact the Trustee contact (see below).

What is a Complaint?

A complaint is where you express dissatisfaction with some aspect of the Fund's service to you or other decision relating to the Fund that may impact you.

Complaints are to be directed to the Trustee contact below. The Trustee has a Dispute Resolution Committee of three experienced people who are not involved in the day-to-day running of the Fund. This committee addresses any member complaints and ensures that they are answered within 90 days.

Complaints Officer
Equity Trustees Limited
GPO Box 2307
MELBOURNE VIC 3001
Phone: (03) 8623 5000
Fax: (03) 8623 5300

ENQUIRIES AND COMPLAINTS (con't)

What if I am still not satisfied?

If you are not satisfied with the Fund's handling of your complaint or the Trustee's decision, or you do not receive a response to your complaint within 90 days, you may be able to refer the complaint to the Superannuation Complaints Tribunal. The Tribunal is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain superannuation complaints.

The Superannuation Complaints Tribunal may be able to assist you to resolve your complaint, but only after you have made use of the Fund's own complaint-handling process. Once the Tribunal accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting the parties to come to a mutual agreement. If conciliation is unsuccessful, the complaint is formally referred to the Tribunal for a determination.

You should first telephone to find out the type of information you need to provide. For the cost of a local call anywhere in Australia you can contact the Superannuation Complaints Tribunal at:

Locked Bag 3060
Melbourne VIC 3001
Phone: 1300 884 114
Email: info@sct.gov.au

If you have any questions in relation to your benefit, please do not hesitate to contact us (Enquiries contact above).

FUND ACCOUNTS

This is a summary of **max Super's** financial position as at 30 June 2013.

Total inflows ('000)

$7,878

Investment income	$1,861
Employer contributions	$5,378
Member contributions	$283
Transfers in	$356

Benefit payments	$3,105
Management expenses	$599
Tax expenses	$604
Other expenses	$0

Total outflows ('000)

$4,308

max Super member funds ($'000) as at:
30 June 2013 : $38,173
30 June 2012 : $31,108

($'000)	30 June 12	30 June 13	($'000)	30 June 12	30 June 13
Total Assets	**$31,426**	**$38,596**	**Total Liabilities**	**$318**	**$423**
Investments	$30,093	$36,775	Prov for Tax	$84	$187
Other Assets	$1,333	$1,821	Other Liabilities	$234	$236

Contact Details

Administration Manager
max Super Fund
Reply Paid 3528
PO Box 3528
Tingalpa DC QLD 417
Phone: 1300 629 787