Your

Annual Report 2020

This Russell Investments Master Trust Annual Report, as at 30 June 2020, include updates and performances for:

- iQ Super™, Resource Super, Nationwide Super;
- iQ Retirement™; and
- Term Allocated Pension.

The 2020 Annual Report is comprised of:

1. This document; and
2. The insert Your Super Plan (for iQ Super – Employer members only).

Recent industry recognition

We believe our products, services and approach to investing are among the best. But don’t just take our word for it—our investment quality and innovation efforts have been recognised and validated by leading industry researchers and global publications.

2020

Global publication Pensions & Investments announced the Technology Innovation Award for GoalTracker at the World Pension Summit, held in The Hague, Netherlands.

2020

Money Management and Super Review, together with their research partner Heron Partnership, named GoalTracker the winner of the Best Member Engagement Innovation at the Super Fund of the Year Awards 2020.

2020

GoalTracker received the Best Fund: Innovation award at the 2020 Chant West Super Fund Awards.[1]

2005 – 2020

In 2020, iQ Super – Employer, General and Saver were again awarded ‘5 Apples’ by Chant West.[1]

2007 – 2020

iQ Retirement[2] has been awarded Chant West's highest rating of '5 Apples' every year since its inception has been awarded Chant West's highest rating of '5 Apples' every year since its inception.[1]

2020

iQ Super – Employer, General and Saver have been awarded 5 Heron Quality Stars in the Heron Quality Star Ratings 2020/21.

2020

iQ Super has been ranked as a Top Ten Corporate Product for its Insurance Features in the Heron Quality Star Ratings 2020/21.

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[1] For further information about the methodology used by Chant West, see chantwest.com.au.

[2] Prior to 2015, this product was known as Russell Private Active Pension.

What’s inside

Chairman’s message

Welcome to the Russell Investments Master Trust 2019/20 Annual Report.

Over the past year we have continued to focus on our ultimate aim - to provide each of you with the best chance for a great life after work. As the Trustee of the Russell Investments Master Trust (the Fund), myself and the other five Directors on your Board are here to look after your best interests above everything else. This is both an ethical and legal obligation we take very seriously. Our role is to provide you with support and services aimed at helping you to better engage with your super savings and make the decisions that are right for your personal goals and circumstances.

This includes addressing four key concerns many of us have about our super.

1. The world was thrown into turmoil during the early part of 2020. Members want to know how their money has been managed during the COVID19 pandemic and what is planned for the years ahead.
2. Some members find certain decisions about their super overwhelming. They want assurance that sound decisions are being made on their behalf.
3. Other members are confident to make decisions about super themselves and want to know what we’re doing to make it easy for them to manage their super as and when they want to.
4. Members are also keen to understand how we’re ensuring they receive value for the fees that are paid.

1. How is your money being managed during the COVID19 pandemic and for the years ahead?

This is a crucial issue because for every dollar of income you draw in retirement roughly 10 cents comes from contributions and 90 cents comes from investment earnings on those contributions.

So how and where your super is invested is extremely important to your outcome.

1. Your fund needs to be big enough and experienced enough to handle these turbulent times. With over 70,000 members and a combined $9 billion invested, we have the size needed to access the required skills and services.
2. We employ world class investment professionals to manage your money – the Russell Investments Group. Russell Investments has been advising super funds since 1969. Today they guide the investment of nearly $4 trillion around the world – more than all the Australian super funds combined. Russell Investments has the investment expertise and experience to navigate the inevitable periodic investment storms with confidence.
3. We work with Russell Investments to agree the investment options offered to you, our members. Today, you can choose from 23 investment options. This gives you sufficient flexibility and choice without overwhelming you with options as some others do.
4. We monitor Russell Investments’ performance and, when required, oversee their decisions.

Over 10 years Russell Investments has delivered returns well above the key objectives of inflation plus sufficient margin to generate strong growth in members’ super savings.

In recent years Russell Investments performance has remained well above inflation, but less than some other funds, which is due in part to adopting a less risky approach.

The Market Update and Investment Portfolio reports detail our performance for the 2019/20 financial year and highlight some of the market forces expected to impact next year’s results.

2. How can you be assured sound decisions are being made on your behalf?

The six Directors on your Board have, between us, many decades of experience in the superannuation and funds management industries and are entrusted with making important decisions on your behalf. Experience alone is no guarantee of success, so here are two examples of our decision making.

Firstly - choosing a standard or 'default' Investment option.

Some members do not make an investment option selection and their super savings are therefore placed into in the 'default' option.

It has been common practice by many super funds, including us, to invest such money in a 'Balanced' investment option – comprising of around 70% growth assets and 30% stable assets. Both Russell Investments and your Board have wanted to improve on this approach and its outcomes, which is why we have worked over the past 2 years to develop something better and the result is GoalTracker.

At its best, GoalTracker can invest your super savings based on the retirement income goal that you set and other personal information that you provide to help you achieve that goal. Until you provide this additional information to GoalTracker, your super is invested based on the information we already do know about you (such as your age).

The result is that for members under 50 years of age, who are typically not retiring for some years and can therefore afford to ride out short term market movements in pursuit of better long term returns, when invested in GoalTracker will have a high proportion of growth assets – typically up to 95%. This proportion of growth assets (and associated risk) then automatically reduces as you approach retirement age. For members prepared to engage further, the GoalTracker Plus solution provides that next level of personalised investment help.

GoalTracker is a leading-edge development and we have received independent recognition with a number of innovation awards this year, including:

- 2020 ChantWest Innovation Award
- Best Member Engagement Innovation at the 2020 Super Fund of the Year Awards
- Technology Innovation award at the 2020 World Pension Summit in The Hague

To find out more about GoalTracker or to get started with setting your retirement goal, simply visit russellinvestments.com.au/goaltracker or nationwidesuper.com.au/goaltracker

For members who are over 60 and/or retired, we are currently considering an extension of the GoalTracker product to manage retirement savings.

Secondly – managing insurance arrangements

By regularly undertaking the time-consuming and complex process of tendering the insurance arrangements across the Fund for both cost and coverage, we can ensure you are able to get comprehensive insurance cover at a competitive cost. This is the purpose of offering insurance cover within super and saves you from having to find an insurance company and insurance policy yourself.

Some members have access to automatic insurance cover and others have no insurance – which is sometimes the result of government regulations.

Whatever your circumstances, we encourage you to check and regularly review how much insurance you have to ensure that it is the right amount of cover for you.

3. How are we making it easy for you to manage your super as and when you want to?

We continue to work hard to make your super as simple and accessible as possible, so when you want to make your own decisions, you can do so in a hassle-free way.

As part of the roll-out of GoalTracker, before the end of this year we are planning to launch a new and improved mobile app for iOS (iPhone) devices, and for the very first time, a version for Android devices. With all bases covered, we're making it convenient and simple for you to manage your super savings online and on the go - whenever and wherever you want. Whether it's setting and tracking your retirement goal, choosing investments, changing contributions, nominating your beneficiary, or finding and combining your super.

You can also take advantage of a wide range of advice options, often at no additional cost. We believe in financial advice that is all about you – no surprises and no jargon, from a team of trusted and experienced experts.

This includes our retirement consultant service where you can access free one-on-one guidance - either face to face or over the phone from a qualified expert as you plan for retirement.

4. How are we ensuring you receive genuine value for the fees you pay?

Whether you're a member of the Fund via your employer and benefit from a special fee arrangement or have remained a member of the Fund after ceasing employment and have a standard fee arrangement, all our members have access to great services.

We have recently reviewed the Fund's administration fees and from 1 October 2020 we are pleased to introduce a range of fee reductions to the standard fee arrangements, which means many of you are now paying nearly 50% less in fees than you were paying before.

We have also reviewed the investment fees paid by all members and, based on current fees out in the market, agreed to new investment fees on many options that were also implemented from 1 October.

These changes were also implemented at the same time we spent significant effort delivering innovations in the products and services on offer to you.

The Russell Investments Master Trust is not the cheapest fund in the market, but we do not necessarily aim for it to be. For the innovative and comprehensive services we provide, your Board believes we are delivering value for money to you, our members.

Looking ahead

We'll continue to work throughout the coming year to improve your experience with us, and to make it easier than ever for you to grow and manage your super to achieve a great life after work.

Jim O'Connor
Chairman
Total Risk Management Pty Ltd

Markets update from our investment manager

For the year to 30 June 2020

- Global shares
- Australian shares
- Real estate investment trusts
- Bonds and cash
- Australian dollar
- Where to from here?

Global shares

Global share markets made modest gains over the past 12 months, returning 3.6%[3] in local currency terms. In unhedged Australian dollar (AUD) terms, stocks returned 5.2%[4].

Share markets began the year well amid expectations slowing global growth and ongoing trade disputes would force more and more central banks to cut interest rates. At the time, a combination of weaker global manufacturing activity and a lack of meaningful progress in US-China trade negotiations sparked fears that a protracted trade war would eventually push the global economy into recession. In response, the US Federal Reserve (Fed) cut interest rates twice – in July and September – and said it remained ready to act as appropriate to sustain the country's economic expansion. Elsewhere, both the Reserve Bank of Australia (RBA) and the Reserve Bank of New Zealand lowered their respective cash rates to record levels, while the European Central Bank (ECB) reduced its deposit rate and introduced fresh stimulus measures; notably the resumption of quantitative easing.

Stocks extended their gains through the final quarter of 2019, benefiting largely from a de-escalation in US-China trade frictions after the two countries finally agreed on a 'phase one' trade deal. Share markets were also supported by the Fed's decision to cut interest rates again in October; the central bank lowering its target range by a further 0.25% to between 1.50% and 1.75%. However, the Fed did hint that the move may be its last for some time after it dropped from its policy statement the line that it "will act as appropriate to sustain the (economic) expansion". This earlier language had been interpreted by investors as a sign of more rate cuts to come. Sentiment was further buoyed by evidence of improving global manufacturing activity, some encouraging US earnings results and hopes of an orderly Brexit following the Conservative Party's win in the UK general election.

As we moved into 2020, share markets continued to edge higher thanks in part to improving US-China trade relations and the subsequent signing of their 'phase one' trade agreement. The deal, signed by US President Donald Trump and China's Vice Premier Liu He midway through January, marked a welcomed truce in a dispute that had plagued financial markets for over a year and a half. Stocks also benefited from a further improvement in global manufacturing activity and news US consumer confidence hit a two-year high in February. The latter reading was particularly notable given consumers account for around 70% of all US economic activity.

However, stocks drastically reversed direction toward the end of February and continued their slide through much of March as it became increasingly likely that the rapid spread of coronavirus outside of Mainland China would push the global economy into recession. Investors had been hopeful that a coronavirus-related slowdown in China would prove transitory in nature and that the virus's reach could be contained. But a significant jump in new infections worldwide, first in South Korea and later in Italy, Spain and the US, forced governments to start imposing strict containment measures aimed at preventing the virus's spread. For the most part, this included the shutdown of all non-essential services and activities, which had the effect of bringing parts of the global economy to a near standstill. In response, companies scrambled to shore up their balance sheets, with many shelving investment plans and either cutting dividends or pulling them altogether. Others withdrew forward-looking guidance due to the futility of trying to determine the future path of the virus and its potential impact on their business. Compounding all of this was a steep decline in oil prices, which sank on

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[3] Global shares measured by the MSCI World ex Australia Net Accumulation Index in LC

[4] Global shares measured by the MSCI World ex Australia Net Accumulation Index in AUD

concerns a new price war between major producers Saudi Arabia and Russia would see supply spike at a time when demand was falling.

Importantly, stocks did get something of a reprieve in late March as governments and central banks the world over moved to implement various measures aimed at supporting growth and restoring confidence in financial markets. In the US, the Fed cut interest rates to almost zero and committed to unlimited quantitative easing. We also saw similar responses from the Bank of England, the ECB and the Bank of Canada.

Share markets finished the year strongly, climbing off their March lows on expectations economic activity would pick up amid a loosening of coronavirus containment measures and ongoing fiscal and monetary policy support globally. With more and more countries emerging from their virus-induced lockdowns, investors bet that the worst of the pandemic had passed and that growth would likely begin to accelerate through the second half of the year; a view backed by encouraging manufacturing activity in places like China, Europe and the US. At the same time, governments and central banks continued to build on the unprecedented levels of financial aid they deployed at the height of the pandemic. Stocks also benefited from intermittent reports that a vaccine may be close (though an effective vaccine ultimately failed to materialise) as well as a strong rebound in oil prices after OPEC and its oil-producing allies agreed to cut output. Limiting these late gains was a string of disappointing, though not entirely unexpected, economic data; notably news the US economy shrank 4.8% in the year to 31 March and a spike in US unemployment to levels not seen since the Great Depression. Stocks were also impacted late by news Japan and Germany entered technical recessions in the first quarter, renewed US-China frictions and growing concerns a potential second wave of coronavirus infections could derail the global recovery.

At the regional level, China (8.8%[5]) posted some of the strongest gains for the year, followed by the US (5.4%[6]) and Japan (4.8%[7]). In contrast, stocks were materially lower in the UK (-16.9%[8]) and Europe (-6.9%[9]).

Australian shares

The Australian share market weakened over the period, with the S&P/ASX 300 Accumulation Index closing the year 7.6% lower. The local market performed reasonably well through the first half of the period before selling off sharply on the back of the economic uncertainty caused by the spread of coronavirus. The 'Big Four' banks, together with travel and tourism names, were amongst the worst performers, while defensives and technology stocks fared much better. Like their global counterparts, local stocks rebounded strongly in the final months of the year amid significant government and central bank support and the gradual unwinding of virus-related restrictions on social and economic activity.

At the sector level, energy (-29.4%), financials (-21.2%) and property trusts (-19.4%) posted the biggest declines for the year. Industrials (-13.4%) and communication services (-8.9%) were also noticeably weaker, while healthcare (27.6%), information technology (16.1%) and consumer staples (12.0%) all posted strong gains.

In terms of central bank activity, the RBA cut interest rates four times over the period; taking the official cash rate from 1.25% to an all-time low of just 0.25%. The first two cuts came in July and October amid softer employment and growth expectations. The next two cuts came in March, with officials moving in response to the growing economic threat posed by the coronavirus outbreak. It was also in March that the RBA introduced quantitative easing for the first time; the Bank having previously flagged that it would consider implementing unconventional monetary policy if interest rates ever fell to 0.25%. As part of its quantitative easing program, the RBA committed to purchasing government bonds and semi-government securities in order to keep borrowing costs down.

Given the risks around the economic outlook right now, coupled with the RBA signalling that interest rates won't rise until there's been significant progress toward its employment objective, our view is that the official cash rate will likely remain around its current low level of 0.25% for an extended period.

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[5] Chinese shares measured by the Shanghai Shenzhen CSI 300 Index

[6] US shares measured by the S&P 500 Index

[7] Japanese shares measured by the TOPIX Index

[8] UK shares measured by the FTSE 100 Index

[9] European shares measured by the Dow Jones EuroStoxx 50 Index

Real estate investment trusts

Australian real estate investment trusts (REITs) underperformed the broader share market over the period, closing the year down 20.7%[10]. Retail names were amongst the worst performers after government-imposed measures such as social distancing, restrictions on non-essential retailing and reduced tourist flows impacted trade. Diversified and office names also struggled, while industrial performed relatively well as many distribution centre operators acquired additional space amid a jump in online retail sales and strong demand for non-discretionary items such as food and household supplies. Global REITs (-17.6%[11]) performed well for much of the year before getting caught up in the wider share market selloff we saw in February and March. The market bounced back toward the end of the period as governments began to lift restrictions and businesses slowly pivoted toward reopening, but this wasn't enough to offset the earlier losses.

Bonds and cash

Global bonds made good gains for the year, returning 5.2%[12]. Major long-term government bond yields were mostly lower (prices higher) over the period, driven largely by the massive fiscal and monetary policy stimulus we saw in response to the coronavirus outbreak. Australian bonds underperformed their global counterparts over the year, returning 4.2%[13]. The yield on domestic 10-year government debt hit a record low of 0.6110% in March as the Federal Government and RBA ramped up their stimulus efforts to help cushion the pandemic's economic impact. Meanwhile, both global and Australian credit markets were weaker for the period. Much of this weakness was driven by an aggressive widening in credit spreads during the worst of the pandemic.

Cash returned 0.8%[14] over the past 12 months, underperforming global shares and global and domestic bonds, but outperforming Australian shares and global and domestic listed property.

Australian dollar

The AUD closed the year modestly lower. The currency traded in a relatively narrow range through the first half of the period before falling sharply in the March quarter when the RBA cut interest rates twice and introduced quantitative easing. The AUD was also impacted at the time by steep declines across the commodities spectrum and a series of disappointing domestic economic data. However, the currency was able to recover these losses in the June quarter as investors piled back into risk assets amid speculation the worst of the pandemic had passed.

The AUD fell 2.1% against both the US dollar (USD) and the Japanese yen and 1.0% against the euro. It rose 0.9% against the British pound, while the broader Australian Trade-Weighted Index[15] closed the period down 0.2%.

Where to from here?

Markets have rallied on hopes of an economic recovery and easing lockdown measures globally, while the cycle outlook has improved amid vast fiscal and monetary stimulus. However, the market rebound means value is no longer compelling for global equities or credit. Though markets may be vulnerable to negative headlines in the near term, in our view, the supportive cycle outlook should allow equities to continue to outperform bonds over the medium-term. We believe the recovery from the recession will lead to a long period of low-inflationary growth, with central banks likely to keep interest rates low once inflation rises.

We maintain our preference for non-US equities over US equities; a view driven largely by expensive relative valuations. However, we also believe the post-coronavirus recovery will see corporate profits improve. This scenario could favour cyclical and value stocks over defensive and growth names, which would be more supportive for stocks outside of the US. We believe emerging markets equities should benefit from China's early exit from lockdown and additional stimulus measures.

For fixed income assets, we continue to see government bonds as universally expensive. Low inflation and dovish central banks should limit rises in bond yields during the recovery phase. In terms of credit, we have a neutral view on high-yield and investment-grade debt. Since their levels in mid-March,

[10] Australian REITs measured by the S&P/ASX 300 Property Accumulation Index

[11] Global REITs measured by the FTSE EPRA/NAREIT Developed Real Estate Index Net TRI (hedged to AUD)

[12] Global bonds measured by the Barclays Global Aggregate Bond Index (hedged to AUD)

[13] Australian bonds measured by the Bloomberg AusBond Composite 0+ Year Index

[14] Cash measured by the Bloomberg AusBond Bank Bill Index

[15] The trade-weighted index for the AUD is an indicator of movements in the average value of the AUD against the currencies of our trading partners.

credit spreads have compressed and, in our view, only now adequately compensate for the likely rise in default rates following the recession.

In the currency space, we expect the USD to weaken into the global economic recovery due to its counter-cyclical behaviour, which has historically seen it decline in the recovery phase. Economically sensitive 'commodity currencies' like the Australian, New Zealand and Canadian dollars should be the main beneficiaries of this.

Moving forward, the major risks to our outlook include a second wave of virus infections and the US elections in November. In the next few months, we're likely to know if a second wave is underway. Most countries appear to be better placed to manage a second wave in terms of treatment and healthcare capacity. The US elections will become a bigger focus for markets if the Democratic presidential nominee, Joe Biden, sustains a commanding lead in the polls. Biden plans to reverse some of the Trump Administration's corporate tax cuts from 2017, which could deliver a negative hit to earnings in 2021. One of the key watchpoints of the election outcome will be if the Democrats seize control of the White House, Senate and House of Representatives, which would make corporate tax hikes more likely and increase the risk of further corporate regulation. The other risk is a re-escalation of the US-China trade war, though with President Trump's re-election chances tied to a recovery in the stock market and the US economy, we expect he will not endanger this by rebooting trade hostilities. We remain alert to risks and volatility as we enter the recovery phase of the global economic cycle. Importantly, we believe this is an environment that will favour our active management approach.

Your investment portfolios

Diversified Portfolios for iQ Super, Resource Super and Nationwide Super

GoalTracker

Age	below 40	41- 50	51- 55	56 - 60	60 +
Investment return objective[16] % above inflation p.a.	4.3%	4.3%	3.8% - 4.2%	3.3% - 3.7%	3.3%
Investment strategy	The option is typically exposed to a diversified mix between growth and defensive investments as shown below (the option may be exposed to derivatives)[17] :				
Growth investments:	95	95	82.5 – 92.5[18]	70 – 80[19]	70
Defensive investments:	5	5	7.5 – 17.5	20 – 30	30
Asset Allocation at 30 June	**%**	**%**	**% Range**	**% Range**	**%**
Australian equities	38.6	38.6	32.9 - 37.6	27.1 - 31.8	27.1
International shares	44.3	44.3	37.5 - 42.9	30.7 - 36.1	30.7
Property	4.4	4.4	4.4 - 4.5	4.6 - 4.7	4.7
Fixed income	3.6	3.6	5.4 - 12.5	14.3 - 21.5	21.5
cash	1.5	1.5	2.3 - 5.4	6.1 - 9.2	9.2
Infrastructure	2.8	2.8	2.8 - 3.0	3.0 - 3.2	3.2
Commodities	1.0	1.0	1.0 - 1.0	1.0 - 1.0	1.0
Other alternatives	3.8	3.8	3.2 - 3.6	2.6 - 3.1	2.6

[16] The objective is to earn a return, after costs and tax, which exceeds CPI by the % p.a. shown, measured over rolling 5 and 10 year periods. CPI stands for Consumer Price Index, which is used as a measure of inflation.

[17] The actual asset allocation may temporarily fall outside ranges stated in certain circumstances, such as asset transitions or extreme market movements.

[18] Growth assets decrease by 2.5% each year from 92.5% at age 51 to 82.5% at age 55. Defensive assets increase by 2.5% each year from 7.5% at age 51 to 17.5% at age 55.

[19] Growth assets decrease by 2.5% each year from 80% at age 56 to 70% at age 60. Defensive assets increase by 2.5% each year from 20% at age 56 to 30% at age 60.

Diversified Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement (Contribution Account)

Defensive

Investment return objective

To earn a return after costs and tax, exceeding CPI* by 2.0% per annum, measured over rolling 5 year periods.

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 30% and defensive investments around 70%. The Portfolio may be exposed to derivatives

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	12.7	12.0
International shares	12.7	15.1
Property	3.1	5.0
Fixed income	43.5	43.5
Australian cash	15.3	18.7
Infrastructure	3.0	3.8
Commodities	0.0	0.0
Other alternatives	9.7	1.9

Diversified 50

Investment return objective

To earn a return after costs and tax, exceeding CPI* by 3.0% per annum, measured over rolling 5 year periods

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 50% and defensive investments around 50%. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	19.0	20.4
International shares	22.1	25.7
Property	2.7	6.9
Fixed income	35.3	35.4
Australian cash	4.3	5.8
Infrastructure	1.5	3.9
Commodities	0.0	0.0
Other alternatives	15.1	1.9

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

Diversified Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement (Contribution Account)

Blended Balanced

Investment return objective

To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 year periods.

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 70% and defensive investments around 30% using a combined active/passive investment management approach. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	33.5	39.3
International shares	29.7	32.7
Property	6.4	0.0
Fixed income	25.6	23.6
Australian cash	1.1	0.8
Infrastructure	3.7	3.6

Balanced[20]

Investment return objective

To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 year periods.

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 70% and defensive investments around 30%. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	31.4	34.0
International shares	30.3	37.3
Property	5.2	3.2
Fixed income	23.2	20.5
Australian cash	1.3	0.3
Infrastructure	1.5	2.9
Commodities	0.0	0.0
Other alternatives	7.1	1.8

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

[20] Closed from 1 October 2020.

Diversified Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement (Contribution Account)

Balanced Opportunities [21]

Investment return objective

To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 and 10 year periods.

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 70% and defensive investments around 30%. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	28.2	31.5
International shares	29.0	31.6
Property	6.6	7.8
Fixed income	20.0	20.9
Australian cash	0.4	0.2
Infrastructure	6.0	6.1
Commodities	0.0	0.0
Other alternatives	9.8	1.9

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

[21] Renamed Balanced Growth from 1 October 2020

Diversified Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement (Contribution Account)

Growth

Investment return objective

To earn a return after costs and tax, exceeding CPI* by 4.0% per annum, measured over rolling 5 year periods.

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 90% and defensive investments around 10%. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019%)
Australian equities	33.3	38.0
International shares	35.2	40.1
Property	3.8	8.8
Fixed Income	5.8	7.9
Australian cash	0.8	0.1
Infrastructure	2.1	4.0
Commodities	0.0	0.0
Other alternatives	19.0	1.1

High Growth

Investment return objective

To earn a return after costs and tax, exceeding CPI* by 4.5% per annum, measured over rolling 5 year periods.

Investment strategy

The Portfolio is typically fully exposed to a diversified portfolio of growth investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	42.2	45.6
International shares	45.7	45.2
Property	2.6	4.3
Fixed Income	0.0	0.0
Australian cash	1.3	0.2
Infrastructure	3.0	1.2
Commodities	0.0	0.0
Other alternatives	5.2	3.5

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

Diversified Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement (Contribution Account)

Multi-Asset Income Strategy

Investment return objective

To provide a return (after costs and tax) exceeding the Portfolio's performance benchmark over the short to medium term with a focus on income and risk management

Investment strategy

The Portfolio is diversified across a range of asset classes, including equities, fixed income and alternatives, with a dynamic approach to asset allocation. Derivatives may be used to implement investment strategies.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	17.2	17.2
International shares	9.6	10.4
Property	2.0	1.2
Fixed Income	49.3	51.7
Australian cash	9.4	7.3
Infrastructure	0.7	0.0
Commodities	0.0	0.0
Other alternatives	11.8	12.2

Multi-Asset Growth Strategy

Investment return objective

To provide a return (after costs and tax) exceeding the Portfolio's performance benchmark over the medium to long term.

Investment strategy

The Portfolio is diversified across a range of asset classes, including equities, fixed income and alternatives, with a dynamic approach to asset allocation. Derivatives may be used to implement investment strategies.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	20.1	19.6
International shares	31.1	28.7
Property	2.5	1.5
Fixed Income	24.6	38.2
Australian cash	0.0	0.0
Infrastructure	4.3	0.1
Commodities	0.0	0.0
Other alternatives	17.4	11.9

Diversified Portfolios for iQ Retirement (Pension Account)

Defensive

Investment return objective

For Contribution Account

To earn a return after costs and tax, exceeding CPI* by 2.0% per annum, measured over rolling 5 year periods

For Pension Account

To earn a return after costs, exceeding CPI* by 2.0% per annum, measured over rolling 5 year periods.

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 30% and defensive investments around 70%. The Portfolio may be exposed to derivatives

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	11.8	12.8
International shares	11.5	13.1
Property	3.0	0.0
Fixed income	42.8	44.4
Australian cash	28.8	27.6
Infrastructure	2.1	2.1

Diversified 50

Investment return objective

For Contribution Account

To earn a return after costs and tax, exceeding CPI* by 3.0% per annum, measured over rolling 5 year periods

For Pension Account

To earn a return after costs, exceeding CPI* by 3.0% per annum, measured over rolling 5 year periods.

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 50% and defensive investments around 50%. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	21.3	22.2
International shares	20.9	23.4
Property	3.1	0.0
Fixed income	36.8	39.0
Australian cash	16.3	13.8
Infrastructure	1.6	1.6
Commodities	0.0	0.0

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

Diversified Portfolios for iQ Retirement (Pension Account)

Blended Balanced

Investment return objective

For Contribution Account

To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 year periods.

For Pension Account

To earn a return after costs, exceeding CPI* by 3.5% per annum, measured over rolling 5 year periods.

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 70% and defensive investments around 30% using a combined active/passive investment management approach. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	33.5	36.0
International shares	29.7	29.7
Property	6.4	6.3
Fixed income	25.6	23.7
Australian cash	1.1	0.7
Infrastructure	3.7	3.6
Commodities	0.0	0.0

Balanced[22]

Investment return objective

For Contribution Account

To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 year periods.

For Pension Account

To earn a return after costs, exceeding CPI* by 3.5% per annum, measured over rolling 5 year periods

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 70% and defensive investments around 30%. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	29.4	30.7
International shares	29.8	32.6
Property	4.5	0.0
Fixed income	24.7	25.6
Australian cash	9.7	9.1
Infrastructure	1.9	2.0
Commodities	0.0	0.0

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

[22] Closed from 1 October 2020.

Diversified Portfolios for iQ Retirement (Pension Account)

Balanced Opportunities[23]

Investment return objective

For Contribution Account

To earn a return after costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 and 10 year periods.

For Pension Account

To earn a return after costs, exceeding CPI* by 3.5% per annum, measured over rolling 5 and 10 year periods.

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 70% and defensive investments around 30%. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	29.9	30.6
International shares	29.9	33.3
Property	4.4	0.0
Fixed income	23.8	25.1
Australian cash	10.0	8.9
Infrastructure	2.0	2.1
Commodities	0.0	0.0

Growth

Investment return objective

For Contribution Account

To earn a return after costs and tax, exceeding CPI* by 4.0% per annum, measured over rolling 5 year periods.

For Pension Account

To earn a return after costs, exceeding CPI* by 4.0% per annum, measured over rolling 5 year periods.

Investment strategy

The Portfolio is typically exposed to a diversified portfolio mix of growth investments around 90% and defensive investments around 10%. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	36.8	38.9
International shares	36.3	39.3
Property	4.9	0.0
Fixed income	12.8	12.9
Australian cash	7.2	6.8
Infrastructure	2.0	2.1
Commodities	0.0	0.0

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

[23] Renamed Balanced Growth from 1 October 2020.

Diversified Portfolios for iQ Retirement (Pension Account)

High Growth

Investment return objective

For Contribution Account

To earn a return after costs and tax, exceeding CPI by 4.5% per annum, measured over rolling 5 year periods.

For Pension Account

To earn a return after costs, exceeding CPI* by 4.5% per annum, measured over rolling 5 year periods.

Investment strategy

The Portfolio is typically fully exposed to a diversified portfolio of growth investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	44.8	46.5
International shares	43.7	48.1
Property	5.0	0.0
Fixed income	3.5	3.3
Australian cash	0.4	0.0
Infrastructure	2.6	2.5
Commodities	0.0	0.0

Multi-Asset Income Strategy

Investment return objective

For Contribution Account

To provide a return (after costs and tax) exceeding the Portfolio's performance benchmark over the short to medium term with a focus on income and risk management

For Pension Account

To provide a return (after costs) exceeding the Portfolio's performance benchmark over the short to medium term with a focus on income and risk management.

Investment strategy

The Portfolio is diversified across a range of asset classes, including equities, fixed income and alternatives, with a dynamic approach to asset allocation. Derivatives may be used to implement investment strategies.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	17.2	17.2
International shares	9.6	10.4
Property	2.0	1.2
Fixed income	49.3	51.7
Australian cash	9.4	7.3
Infrastructure	0.7	0.0
Commodities	0.0	0.0
Other alternatives	11.8	12.2

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

Diversified Portfolios for iQ Retirement (Pension Account)

Multi-Asset Growth Strategy

Investment return objective

For Contribution Account
To provide a return (after costs and tax) exceeding the Portfolio's performance benchmark over the medium to long term.

For Pension Account
To provide a return (after costs) exceeding the Portfolio's performance benchmark over the medium to long term.

Investment strategy

The Portfolio is diversified across a range of asset classes, including equities, fixed income and alternatives, with a dynamic approach to asset allocation. Derivatives may be used to implement investment strategies.

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Australian equities	20.1	19.6
International shares	31.1	28.7
Property	2.5	1.5
Fixed income	24.6	38.2
Australian cash	0.0	0.0
Infrastructure	4.3	0.1
Commodities	0.0	0.0
Other alternatives	17.4	12.0

Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

Australian Cash

Investment return objective

For IQ Super, IQ Retirement Contribution and IQ Retirement Pension Accounts
To earn a return in line with the Reserve Bank cash rate target, before tax and after costs, over rolling 1 year periods.
Earn a return broadly in line with inflation over the long-term, before tax and after costs.

Investment strategy

The Portfolio is predominantly exposed to assets such as bank deposits, money market instruments (including but not limited to bank bills and certificates of deposit).

Benchmark

Bloomberg AusBond Bank Bill Index

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Non-Bank Corporate Debt	0.0	0.0
Mortgage Backed Securities	0.0	0.0
Money Market Instruments	36.4	89.7
Bank Debt	0.0	0.0
Asset Backed Securities	0.0	0.0
Cash	13.6	7.5
Government	50.0	2.8

Australian Cash Enhanced[24]

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods

Investment strategy

The Portfolio is predominantly exposed to assets such as bank deposits, money market instruments (including but not limited to bank bills and certificates of deposit), corporate floating rate notes and asset backed and mortgage backed securities. The Portfolio may also be exposed to fixed rate corporate debt, derivatives and non-Australian dollar denominated cash and cash equivalent securities. Underlying foreign currency exposures will be largely hedged back to Australian dollars.

Benchmark

Bloomberg AusBond Bank Bill Index

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Cash	24.3	29.5
Corporate High Yield	0.0	0.0
Corporate Inv. Grade	33.4	37.2
FX/Rates	0.0	-0.6
Government	13.9	1.4
Gov. Related	0.6	0.5
Securitised	26.9	30.4
Emerging Markets	1.0	1.5

[24] Renamed Australian Floating Rate from 1 October 2020.

Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

Australian Fixed Income

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods

Investment strategy

The Portfolio is predominantly exposed to Australian issued government, quasi-government and corporate fixed income securities. The Portfolio may also be exposed to derivatives, debt securities issued by supranationals and non-Australian governments, agencies and corporates, as well as structured credit securities including mortgage and asset backed securities. The Portfolio from time to time may be exposed to low grade or unrated debt securities, exchange traded funds, emerging markets and currency to a limited extent.

Benchmark

Bloomberg AusBond Composite 0+ Yr Index

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Cash	3.5	1.5
Corporate High Yield	0.0	0.7
Corporate Investment Grade	32.9	28.9
FX/Rates	0.0	-1.2
Government	19.9	23.5
Government Related	35.5	40.7
Securitized	5.6	4.6
Emerging Markets	2.6	1.4

Global Fixed Income

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to debt securities issued by supranationals, international governments, quasi-governments, agencies and corporates as well as structured credit securities including mortgage and asset backed securities. The Portfolio may also be exposed to derivatives and to low grade or unrated debt securities, emerging markets and currency to a limited extent. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Benchmark

Barclays Global Aggregate Index ($A Hedged)

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
United States	55.6	51.2
Euroland	13.3	15.2
Japan	0.0	8.3
United Kingdom	0.0	4.2
Australia/NZ/Other	26.0	16.7
Other Europe	5.1	4.4

Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

Australian Opportunities

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The Portfolio may also be exposed to derivatives and short selling.

Benchmark

S&P/ASX 300 Accumulation Index

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Financial-X-Property Trusts	21.9	29.5
Materials	25.0	21.0
Consumer Discretionary	6.4	6.5
Energy	7.6	10.3
Industrials	7.8	7.5
Consumer Staples	6.0	6.2
Health Care	9.7	5.4
Property Trusts	5.6	5.1
Information Technology	3.4	1.2
Telecommunication Services	6.1	6.3
Utilities	0.6	1.2
Other	0.0	0.0

Global Opportunities

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The Portfolio may also be exposed to derivatives and emerging market equity securities.

Benchmark

Until 30 September 2018: Russell Global Large Cap – Net Index
From 1 October 2018: MSCI ACWI Index - Net

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
North America	55.8	51.5
EMEA ex United Kingdom	15.7	17.0
Japan	6.8	9.1
United Kingdom	5.3	5.7
Emerging Markets	13.4	14.8
Asia / Pacific ex Japan	2.8	2.0
Other	0.2	0.0

Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

Global Opportunities - $A Hedged

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The Portfolio may also be exposed to derivatives and emerging market equity securities. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Benchmark

Until 30 September 2018: Russell Global Large Cap AUD Hedged Index – Net
From 1 October 2018: MSCI ACWI Index – 100% Hedged to AUD - Net

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
North America	55.8	51.5
EMEA ex United Kingdom	15.7	17.0
Japan	6.8	9.1
Emerging Markets	5.3	14.9
United Kingdom	13.4	5.7
Asia / Pacific ex Japan	2.8	2.0
Other	0.2	0.0

Emerging Markets

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to shares listed on stock exchanges in emerging markets. The Portfolio may also have exposure to shares listed on stock exchanges in countries which are considered ‘frontier’ or ‘pre-emerging’ and to shares listed on developed markets’ stock exchanges where the issuer derives a material proportion of its revenue from the emerging markets.

Benchmark

MSCI Emerging Markets Index

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
China	36.9	32.5
South Korea	13.5	12.2
Taiwan	12.4	9.8
India	7.3	8.3
Brazil	6.0	8.7
South Africa	3.7	5.2
Russia	5.2	6.6
Mexico	1.7	2.5
Turkey	-	-
Indonesia	1.3	1.8
Other	12.0	12.5

Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

International Property Securities - $A Hedged

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to property trusts and property related securities listed on stock exchanges in developed international markets. The Portfolio may also be exposed to securities which have exposure to properties in emerging markets. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Benchmark

FTSE EPRA/NAREIT Developed Real Estate Index Net TRI - $AH Hedged

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
North America	57.4	55.2
Continental Europe	12.3	11.7
Japan	11.7	10.2
Asia Ex Japan	7.9	12.0
United Kingdom	4.9	5.8
Australia	3.5	4.0
Emerging Markets	0.4	0.3
Other	2.0	0.7

Responsible Australian Shares

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to shares or unit trusts listed or about to be listed on the Australian Securities Exchange. In selecting shares or unit trusts, consideration is given to one or more socially responsible standards (e.g. social, ethical or environmental standards).

Benchmark

S&P/ASX 300 Accumulation Index

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Energy	6.0	8.0
Materials	24.5	21.4
Industrials	11.6	12.2
Consumer Discretionary	1.7	1.5
Consumer Staples	4.0	2.3
Health Care	11.0	11.5
Information Technology	2.8	1.8
Telecommunication Services	6.6	7.4
Financial-X-Property Trusts	22.5	23.1
Property Trusts	2.7	2.2
Cash & Other	6.6	8.6

Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

Responsible Global Shares

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to a broad range of international shares listed on stock exchanges in developed and emerging international markets. The Portfolio is invested in a fund that will maintain a reduced carbon exposure compared to the benchmark, whilst also increasing exposure to renewable energy and taking into account other ESG considerations such as the exclusion of controversial weapons, uranium and tobacco companies. The Portfolio may also be exposed to derivatives.

Benchmark

MSCI ACWI ex Australia Index Net

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
North America	61.4	59.5
EMEA Ex United Kingdom	14.1	14.8
Emerging Markets	11.9	11.5
Japan	7.3	7.3
United Kingdom	4.0	5.1
Asia Pacific Ex Japan	1.3	1.8

Third Party Indexed Australian Shares

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to shares and unit trusts listed or about to be listed on the Australian Securities Exchange. The Portfolio is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The Portfolio may also be exposed to derivatives.

Benchmark

S&P/ASX 300 Accumulation Index

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Financials	26.9	31.5
Materials	19.6	18.9
Health Care	12.2	8.6
Consumer Staples	6.5	5.5
Real Estate	6.8	7.7
Industrials	7.4	8.2
Energy	4.0	5.3
Consumer Discretionary	7.1	6.2
Information Technology	3.7	2.5
Telecommunication Services	4.1	3.9
Utilities	1.9	1.9

Sector Portfolios for iQ Super, Resource Super, Nationwide Super and iQ Retirement

Third Party Indexed Global Shares

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to a broad range of international shares listed on stock exchanges in developed international markets. The Portfolio is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The Portfolio may also be exposed to derivatives.

Benchmark

MSCI World ex-Australia (with net dividends reinvested) in Australian dollars Index

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Information Technology	20.7	16.7
Financials	13.4	15.2
Consumer Discretionary	11.8	10.6
Health Care	12.9	12.7
Industrials	9.4	11.3
Consumer Staples	8.1	8.6
Energy	3.6	5.6
Material	4.6	4.3
Utilities	3.2	3.4
Real Estate	2.9	3.1
Telecommunication Services	9.4	8.5

Third Party Indexed Global Shares - $A Hedged

Investment return objective

For IQ Super and IQ Retirement Contribution Accounts
To earn a return above benchmark, before tax and after costs, over rolling 5 year periods.

For IQ Retirement Pension Accounts
To earn a return above benchmark, after costs, over rolling 5 year periods.

Investment strategy

The Portfolio is predominantly exposed to a broad range of international shares listed on stock exchanges in developed international markets. The Portfolio is invested in passive manner so as to replicate as closely as possible the benchmark stated above. The Portfolio may also be exposed to derivatives. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Benchmark

MSCI World ex-Australia (with net dividends reinvested) hedged into AUD Index

Asset allocation as at 30 June

Asset class	2020 (%)	2019 (%)
Information Technology	20.7	16.7
Financials	13.4	15.2
Consumer Discretionary	11.8	10.6
Health Care	12.9	12.7
Industrials	9.4	11.3
Consumer Staples	8.1	8.6
Energy	3.6	5.6
Material	4.6	4.3
Utilities	3.2	3.4
Real Estate	2.9	3.1
Telecommunication Services	9.4	8.5

Investment returns

If you are an accumulation member invested in GoalTracker, the value of your investment will fluctuate with the market value of the underlying investments. The investment returns are generally calculated daily and are based on changes in the market value of the underlying investments.

For other investment options, the investment earnings are determined by movement in the daily unit prices of your chosen investment strategy.

If you are a defined benefit member and have investment choice for some of your accounts, these accounts are credited with a daily crediting rate which reflects the net investment return for each day on your chosen investment portfolio(s).

If you are a defined benefit member without investment choice you should refer to Your Super Plan insert for details of how investment earnings are credited to your accounts.

Default Investment Portfolio

Where you have member investment choice and do not make an investment election, your account will be invested in the default MySuper investment portfolio, GoalTracker.

Investment returns as at 30 June 2020

The table on the following pages provide the investment returns as at 30 June 2020 for iQ Super, iQ Retirement, and Term Allocated Pension (TAP). For Defined Benefit members, please refer to the relevant insert provided with Your Annual Report 2020 for specific investment returns.

The returns shown are net of investment management fees and taxes on investment income. Returns are the compound average net earnings for each period. Past performance is not indicative of future performance. Your investment return/s (if any) may differ depending on the following factors: your investment option if you have selected an investment strategy. If no investment option was selected, the asset will be invested in the default investment strategy; any investment switches made during the financial period; date you joined the plan; and the timing of contributions made during the financial period.

iQ Super/Resource Super/Nationwide

Diversified Options

Portfolios	Inception date*	2020 % (p.a.)	2019 % (p.a.)	2018 % (p.a.)	2017 % (p.a.)	2016 % (p.a.)	5-year % (p.a.)	Since inception % (p.a.)
GoalTracker[25]	28/03/2020	-	-	-	-	-	-	-
Defensive	1/07/2003	0.63	5.23	4.15	5.93	2.45	3.73	5.26
Diversified 50	1/07/2003	-0.92	5.42	6.03	8.70	1.06	4.15	5.81
Blended Balanced	1/04/2005	-2.79	6.12	7.28	12.14	-0.58	4.51	5.81
Balanced	1/07/2003	-1.94	5.93	8.24	11.61	-0.25	4.84	6.42
Balanced Opportunities	1/07/2008	-0.66	6.51	7.75	11.48	0.31	5.22	5.39
Growth	1/07/2003	-2.87	6.28	9.91	13.71	-1.23	5.30	6.93
High Growth	1/04/2005	-3.15	6.71	10.55	16.8	-2.24	5.89	6.17

Outcome Orientated Options

Portfolios	Inception date*	2020 % (p.a.)	2019 % (p.a.)	2018 % (p.a.)	2017 % (p.a.)	2016 % (p.a.)	5-year % (p.a.)	Since inception % (p.a.)
Multi-Asset Income Strategy	24/11/2017	0.09	5.02					2.17
Multi-Asset Growth Strategy	24/11/2017	-2.19	3.57					0.65

Sector Options

Portfolios	Inception date*	2020 % (p.a.)	2019 % (p.a.)	2018 % (p.a.)	2017 % (p.a.)	2016 % (p.a.)	5-year % (p.a.)	Since inception % (p.a.)
Australian Cash	1/07/2003	0.63	1.36	1.32	1.34	1.72	1.29	2.95
International Property Securities – $A Hedged	1/04/2005	-14.70	6.15	6.24	9.52	3.96	1.93	4.24
Australian Opportunities	1/11/2004	-7.14	7.39	11.67	16.83	1.8	6.42	7.06
Global Opportunities	1/04/2005	0.56	8.13	12.57	21.77	-4.02	7.59	6.20
Responsible Australian Shares	1/07/2008	-4.12	7.34	12.73	15.7	-4.56	5.85	5.22

* The date the investment portfolio became available.

[25] This option has been available for less than the 12 month period required to display past performance.

Portfolios	Inception date*	2020 % (p.a.)	2019 % (p.a.)	2018 % (p.a.)	2017 % (p.a.)	2016 % (p.a.)	5-year % (p.a.)	Since inception % (p.a.)
Australian Fixed Income	24/11/2017	3.62	7.65					4.60
Global Fixed Income - $A Hedged	24/11/2017	6.11	5.47					4.47
Emerging Markets	24/11/2017	-5.36	4.60					-1.66
Australian Cash Enhanced	1/07/2007	0.99	2.22	1.94	2.35	1.60	1.82	3.13
Global Opportunities - $A Hedged	24/11/2017	-3.43	3.08					0.03
Responsible Global Shares	24/11/2017	5.89	10.17					7.42
Third-Party Indexed Australian Shares	24/11/2017	-4.54	9.03					3.54
Third-Party Indexed Global Shares	24/11/2017	5.21	10.72					8.62
Third-Party Indexed Global Shares - $A Hedged	24/11/2017	-0.14	6.05					3.31

* The date the investment portfolio became available.

iQ Retirement

Tax is deducted on investments within the Contribution Account. No tax is deducted on investments in the Pension Account. Therefore, the Contribution and Pension Accounts will have different investment return figures for the same investment portfolios. Where returns are positive, the Pension Account will generally display a higher return as no tax is deducted from the return. Where returns are negative, the Pension Account will generally display a lower return because losses cannot be used to offset tax payable within the portfolio.

Pension Account

Portfolios	Inception date*	2020 % (p.a.)	2019 % (p.a.)	2018 % (p.a.)	5 years % (p.a.)	Since inception % (p.a.)
Defensive	1/07/2007	0.02	6.35	4.46	3.97	4.68
Diversified 50	1/07/2007	-1.58	7.01	6.75	4.58	4.65
Blended Balanced	24/11/2017	-4.31	6.31			1.09
Balanced	1/07/2007	-3.27	7.48	8.41	5.01	4.49
Balanced Opportunities	1/07/2008	-2.73	7.38	8.29	5.08	6.18
Growth	1/07/2007	-4.42	7.76	10.02	5.42	4.05
High Growth	1/07/2007	-5.64	8.00	11.43	5.64	4.12
Australian Opportunities	1/07/2007	-8.89	9.36	12.69	6.28	4.57
Australian Cash Enhanced	1/07/2007	1.20	2.65	2.27	2.15	3.75
International Property Securities – $A Hedged	1/07/2007	-16.02	6.75	7.02	1.59	1.84
Multi-Asset Income Strategy	24/11/2017	0.21	6.03			2.52
Multi-Asset Growth Strategy	24/11/2017	-2.50	4.13			0.42
Australian Cash	24/11/2017	0.76	1.68			1.30
Australian Fixed Income	24/11/2017	3.64	8.92			5.17
Global Fixed Income - $A Hedged	24/11/2017	4.91	6.30			4.40
Global Opportunities - $A Hedged	24/11/2017	-3.41	3.32			0.18
Global Opportunities	1/07/2007	-0.06	8.76	12.93	6.89	5.65

* The date the investment portfolio became available.

Portfolios	Inception date*	2020 % (p.a.)	2019 % (p.a.)	2018 % (p.a.)	5 years % (p.a.)	Since inception % (p.a.)
Emerging Markets	24/11/2017	-4.59	4.78			-2.04
Responsible Australian Shares	24/11/2017	-3.84	9.85			4.77
Responsible Global Shares	24/11/2017	2.44	10.87			6.24
Third-Party Indexed Australian Shares	24/11/2017	-6.55	10.53			3.71
Third-Party Indexed Global Shares	24/11/2017	2.35	12.09			7.81
Third-Party Indexed Global Shares - $A Hedged	24/11/2017	-0.91	5.39			2.76

Contribution Account

Portfolios	Inception date*	2020 % (p.a.)	2019 % (p.a.)	2018 % (p.a.)	5 years % (p.a.)	Since inception % (p.a.)
Defensive	1/07/2003	0.63	5.23	4.15	3.73	5.26
Diversified 50	1/07/2003	-0.92	5.42	6.03	4.15	5.81
Blended Balanced	1/04/2005	-2.79	6.12	7.28	4.51	5.81
Balanced	1/07/2003	-1.94	5.93	8.24	4.84	6.42
Balanced Opportunities	1/07/2008	-0.66	6.51	7.75	5.22	5.39
Growth	1/07/2003	-2.87	6.28	9.91	5.30	6.93
High Growth	1/04/2005	-3.15	6.71	10.55	5.89	6.17
Australian Opportunities	1/11/2004	-7.14	7.39	11.67	6.42	7.06
Australian Cash Enhanced	1/07/2007	0.99	2.22	1.94	1.82	3.13
International Property Securities – $A Hedged	1/04/2005	-14.70	6.15	6.24	1.93	4.24
Multi-Asset Income Strategy	24/11/2017	0.09	5.02			2.17

* The date the investment portfolio became available.

Portfolios	Inception date*	2020 % (p.a.)	2019 % (p.a.)	2018 % (p.a.)	5 years % (p.a.)	Since inception % (p.a.)
Multi-Asset Growth Strategy	24/11/2017	-2.19	3.57			0.65
Australian Cash	1/07/2003	0.63	1.36	1.32	1.29	2.95
Australian Fixed Income	24/11/2017	3.62	7.65			4.60
Global Fixed Income - $A Hedged	24/11/2017	6.11	5.47			4.47
Global Opportunities - $A Hedged	24/11/2017	-3.43	3.08			0.03
Global Opportunities	1/04/2005	0.56	8.13	12.57	7.59	6.20
Emerging Markets	24/11/2017	-5.36	4.60			-1.66
Responsible Australian Shares	1/07/2008	-4.12	7.34	12.73	5.85	5.22
Responsible Global Shares	24/11/2017	5.89	10.17			7.42
Third-Party Indexed Australian Shares	24/11/2017	-4.54	9.03			3.54
Third-Party Indexed Global Shares	24/11/2017	5.21	10.72			8.62
Third-Party Indexed Global Shares - $A Hedged	24/11/2017	-0.14	6.05			3.31

* The date the investment portfolio became available.

Term Allocated Pension (TAP)

Portfolios	Inception date*	2020 % (p.a.)	2019 % (p.a.)	2018 % (p.a.)	2017 % (p.a.)	2016 % (p.a.)	5 years % (p.a.)	Since inception % (p.a.)
Diversified Portfolios								
Defensive	1/09/2004	0.02	6.35	4.46	6.64	2.34	3.97	4.68
Diversified 50	1/09/2004	-1.58	7.01	6.75	9.36	0.62	4.58	4.65
Balanced	1/09/2004	-3.27	7.48	8.41	12.33	-1.02	5.01	4.49
Growth	1/09/2004	-4.42	7.76	10.02	15.3	-2.66	5.42	4.05
Sector Portfolios								
Australian Cash	24/11/2017	0.76	1.68					1.30
Australian Opportunities	1/11/2004	-8.89	9.36	12.69	16.99	-1.61	6.28	4.57
Global Opportunities Option	1/07/2007	-0.06	8.76	12.93			6.89	5.65
Global Opportunities - $A Hedged Option	24/11/2017	-3.41	3.32					0.18

* The date the investment portfolio became available.

Trustee information

Russell Investments Master Trust (the Fund) is managed by a professional Trustee company called Total Risk Management Pty Ltd (TRM) (ABN 62 008 644 353). iQ Super – Saver, iQ Retirement, Resource Super and Nationwide Super are divisions of the Fund.

TRM holds a Registrable Superannuation Entity (RSE) licence from APRA. TRM has appointed Russell Investments Employee Benefits Pty Ltd, a related company, to provide member services and manage the day-to-day administration operations of the Fund.

TRM has appointed Russell Investment Management Ltd, a related company, to manage the Fund's investments, including the selection of all the underlying investment managers that invest the Fund's money in each of the investment choices.

TRM has appointed Russell Investments Financial Solutions Pty Ltd, a related company, to provide the generic financial calculator (MyTracker) and the GoalTracker™ Plus limited personal financial product advice.

Trustee directors

During the year, there were five (5) Trustee Directors of TRM. Relevant details of the directors are as follows:

James (Jim) O'Connor has a Bachelor of Arts (Actuarial Studies) from the Macquarie University, Master of Business Administration from the University of Geneva / International Management Institute and a Master of Commerce (Finance) from the University of NSW. Prior to his appointment as a director of TRM, Jim was the Plan Secretary for the Westpac Staff Superannuation Plan. Jim became the chair of TRM from 1 September 2018. Prior to this Jim was the chair of the Remuneration Committee and the Audit, Risk and Compliance Committee.

Marian Carr has a Master of Business (Fin.) from UTS and is a Fellow of FINSIA and a Member of the Australian Institute of Company Directors (AICD). Marian has over 30 years' experience in the funds management industry. Marian was previously the Deputy Managing Director of MIR Investment Management Pty Limited.

Alexis Dodwell has a Bachelor of Laws, Bachelor of Economics, and Graduate Diploma in Applied Corporate Governance and has completed the Director Course at the Australian Institute of Company Directors. Alexis is a risk, compliance and corporate governance specialist, having worked in the financial services industry for over 20 years most recently at Perpetual Limited and the Commonwealth Bank of Australia. Alexis became the chair of the Remuneration Committee and the Audit, Risk and Compliance Committee from 1 September 2018.

Michael Gordon has a Bachelor of Business (Fin.) from UTS and is a Graduate of the Australian Institute of Company Directors (GAICD). Michael has over 30 years' experience in the funds management industry in Australia, Asia and Europe. Prior to his appointment, Michael was the Group Executive of Perpetual Investments and has previously held Chief Investment Officer roles with Fidelity International, BNP Paribas and Schroders. Michael is the chair of the Investment Committee.

Katherine Allchin has a Bachelor of Business (Marketing) from QUT and is a Graduate of the Australian Institute of Company Directors (GAICD). Katherine has over 30 years' experience in the funds management industry in Australia. Prior to this appointment Katherine was a Director, Vinva Investment Management and previously Head of Distribution for Barclays Global Investors in Australia. Katherine retired from the Board on 18 September 2019.

Keith Knapman joined the Board on 1 June 2020. Keith has a Bachelor of Arts from Macquarie University and is a Fellow of the Institute of Actuaries of Australia. Keith has more than 30 years' experience in the superannuation investment industry with extensive experience in all aspects of investment and actuarial consulting including funding, insurance and compliance advice, liability driven investment solutions, and benefit redesigns including defined benefits to defined contribution conversions, successor fund transfers and transfers resulting from mergers and acquisitions.

Patricia Montague joined the Board on 1 October 2020. Patricia has a Bachelor of Arts (Pure Mathematics and Economics) from Queens University of Belfast and has undertaken additional education through institutions including Harvard Business School, LUMA Institute Pittsburgh, and the Australian Institute of Company Directors. Patricia has a diverse career in growing and transforming financial services through customer-first strategies and has considerable member services experience, gained at CBA, AMP and BT Financial Group. She is passionate about the role financial services plays in supporting the Australian economy and its people and the need for financial services companies to have a relentless focus on their customers.

Indemnity insurance

The Trustee has maintained Trustee indemnity insurance.

Advisers to the Trustee

The Trustee has appointed the following service providers to assist with the management of the Russell Investments Master Trust.

Administration, actuary and superannuation consultant:	Russell Investments Employee Benefits Pty Ltd
Auditor:	Deloitte Touche Tohmatsu
Tax adviser:	PricewaterhouseCoopers
Investment manager:	Russell Investment Management Ltd
Custodian:	State Street Australia Limited

Policy Committee

If you are an iQ Super – Employer member or Nationwide Super member, your interests may be further represented by a Policy Committee. You should refer to the enclosed Your Super Plan insert for details of your Policy Committee.

If you have an enquiry or complaint

Russell Investments Master Trust has a formal procedure to deal with complaints from members. If you have any enquiry regarding your benefits, the Fund in general or on any information raised in this report, or if you wish to make a complaint, please contact us at:

Russell Investments Master Trust

Phone: 1800 555 667

Mail: The Complaints Officer

iQ Super by Russell Investments

Locked Bag A4094 Sydney South NSW 1235

Email: iq@russellinvestments.com.au

Depending on the nature of your complaint, we may ask you to provide further information in writing, so that we can fully understand the complaint. We will provide assistance to you if necessary. We will provide prompt written acknowledgment of receipt of your complaint.

Our goal is to handle your complaint efficiently and fairly and we will provide the Trustee's decision as quickly as possible. However, if your complaint relates to a death claim or to a declined disablement claim, it may take some time to gather all the information necessary to enable the complaint to be properly considered. You can obtain advice in relation to the complaints handling process or feedback on the status of your complaint by calling us.

You also have the right to raise complaints with the external dispute resolution body.

Australian Financial Complaints Authority (AFCA)

Mail: GPO Box 3 Melbourne VIC 3001

Phone: 1800 931 678

Email: info@afca.org.au

Other important information

Policy on derivatives

Some of the underlying investment managers appointed by Russell Investment Management Ltd are permitted to use derivatives (subject to explicit guidelines outlined in the relevant investment management agreements).

The main objective of using derivatives is to more efficiently manage the assets of the underlying funds. The underlying investment managers are required to ensure that the underlying funds are not leveraged. Cash, cash equivalents or physical securities are held to cover net derivative positions entered into.

Reserves

The Fund maintains an Administration Reserve which is invested in the Australian Cash Portfolio and an Operational Risk Reserve (ORR) which is managed and invested in accordance with the Trustee's ORFR Strategy. The values of these Reserves are shown on the Financials page of this report.

What happens when you leave your employer?

Leaving your job will usually bring significant change to your life. One thing that won't need to change is the super fund you're with. Russell Investments Master Trust is designed to go everywhere with you, right through your working life and beyond into your retirement years – so you will only ever need one superannuation account. After you leave your current employer, we will open an account for you in our General division (iQ Super – General or Resource Super – General). Your member number and password remain the same, so you can continue to transact (make contributions, update your details) on your account. When we have received the final contributions from your employer, we will finalise your benefit and close your Employer account and transfer it to your General division account. The features and fees of your General division account are contained in its Product Disclosure Statement (PDS) which is available from our website. The PDS will be issued when the General division account is opened for you.

From 1 October 2020, iQ Super – General is known as iQ Super – For Life, refer to russellinvestments.com.au/iqsuperforlifepds. Resource Super – General, refer to russellinvestments.com.au/resourcesuper.

Fees and Charges

Fees and charges are documented in the Product Disclosure Statement (PDS). When you leave your employer, all fees are met by you, including any fees that were previously met by your employer.

Your Investments: Accumulation Members

When you leave your employer, there will be no change to the way your benefit is invested – it will continue to be invested in the investment option(s) applicable to your accumulation account on the day your benefit is transferred to the General division. You can change your investment option(s) at any time, both before and after your benefit is transferred. If you wish to change your investment option(s) you can go online at russellinvestments.com.au or call us on 1800 555 667.

Your Investments: Defined Benefit Members

When the Fund receives notification from your employer of your termination of employment (and this may be quite some time after your termination date), your defined benefit will be calculated as at your termination date. This amount will be treated as having been invested in the Australian Cash Portfolio or your defined benefit division crediting rate. Upon transfer to iQ Super - General, this amount will be invested in the Australian Cash Portfolio, until you make an investment choice after the transfer. This is done to minimise the impact of any adverse market movements until the benefit is moved to iQ Super - General, where you can make your own investment choice. Your termination of employment will have no impact on the investment of your investment choice accounts – these will continue to be invested in the same investment option(s). Where you have not made an investment choice, your investment choice accounts will be invested in the MySuper option. You can change the investment option(s) of your investment choice accounts at any time, both before and after your benefit is transferred to iQ Super – General (from 1 October 2020 known as iQ Super – For Life).

If you wish to change your investment option(s) you can go online at russellinvestments.com.au or call us on 1800 555 667.

If, following termination of your employment, you choose to have your benefit paid from the Fund (either in cash or to another superannuation fund) you can still change how your benefit is invested at any time (other than any defined benefit component), right up to the date of payment from the Fund (remembering that an investment switch takes 3 business days to process).

Your Insurance Coverage when you leave your employer

When you leave your employer, your insured Death and Total and Permanent Disablement (TPD) benefits will continue within the General division (iQ Super – General or Resource Super – General). The level of Death and/or TPD insurance cover you had in place on the day you left your employer will be reinstated automatically when we open your General division account. There will be no gap in your coverage (i.e. the effective date of your coverage will be the day after you ceased employment with your employer). However, you will meet the cost of your insurance cover and the premiums will be deducted from your –General division account when your Employer benefit is transferred. When this occurs, any arrears of your insurance premiums will be deducted at the time of the next monthly fee deduction, which is on the last business day of the month. In the event that your balance reaches nil, your account will be closed and any insurance cover you have will cease.

Temporary resident

If you are a temporary resident of Australia (excluding New Zealand citizens), have left Australia and your visa has expired or been cancelled you may be eligible for a Departing Australia Superannuation Payment (DASP) from the Fund. The DASP is a payment of the superannuation money held in the Fund for you and is subject to specific taxation when it is paid. You can apply online via the Australian Taxation Office (ATO) website at ato.gov.au/individuals/super. When applying online, the ATO can confirm your immigration status free of charge. Alternatively, you can also apply using a paper form available from the ATO website.

If you do not claim your benefit from the Fund within six months of leaving Australia and the expiration/cancellation of your visa, the Fund will be requested to pay it to the ATO who will hold your benefit until you claim it. The Trustee relies on ASIC relief and is not required to notify or give an exit statement to a non-resident where unclaimed superannuation must be paid to the Commissioner of Taxation.

Eligible Rollover Fund

An Eligible Rollover Fund (ERF) is a special type of super fund that can receive benefits that are automatically rolled over from other super funds. The ERF we have selected is SuperTrace Eligible Rollover Fund (SuperTrace).

Unless you are receiving employer contributions into your account, where your balance is less than $6,000 we will contact you to advise you that your balance is below the Fund's minimum balance. We will provide you with options should you wish to increase your account balance or alternatively, you can advise us where you would like to transfer your super. You must tell us what you want to do with your account within 60 days of receiving our letter. If we do not receive your written instructions within this period, your account balance will be transferred to SuperTrace.

Once we transfer your account balance to SuperTrace, the responsibility for managing your superannuation passes to the trustee of SuperTrace. You will need to contact SuperTrace if you want to access your money or transfer it to another super fund.

We recommend you obtain and read a copy of the SuperTrace Product Disclosure Statement, as the investment strategy and fees are different to those in Russell Investments Master Trust.

SuperTrace Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124
1300 788 750

More information

You can request copies of the following documents by calling us or by downloading copies, where available, from our website:

- information on iQ Super by Russell Investments
- information on the iQ Retirement by Russell Investments
- information on Nationwide Super
- information on Resource Super
- the Rules of the Fund
- extracts of relevant actuarial reports
- the Fund's financial statements and auditor's report.

Financials

Russell Investments Master Trust's abridged audited accounts for the year ending 30 June 2020 are shown in the table below. You can obtain a copy of the complete accounts and the auditor's report by contacting us.

Statement of Financial Position for the year ending 30 June	2020 ($'000)	2019 ($'000)
Cash and cash equivalents	29,818	29,641
Receivables and other assets	15,770	29,940
Investments		
Units in unit trusts	1,077,890	336,138
Pooled superannuation trusts	7,721,420	9,086,481
Deferred tax assets	2,498	1,782
Total assets	**8,847,396**	**9,483,982**
Liabilities		
Benefits payable	(128)	(132)
Payables	(25,213)	(43,752)
Income tax payable	(7,512)	(9,142)
Deferred tax liabilities	(2)	(59)
Total liabilities excluding member benefits	**(32,855)**	**(53,085)**
Net assets available for member benefits	**8,814,541**	**9,430,897**
Member benefits		
Defined contribution member liabilities	(7,898,896)	(8,392,428)
Defined benefit member liabilities	(798,300)	(885,423)
Unallocated to defined contribution members	(762)	(35)
Total member liabilities	**(8,697,958)**	**(9,277,886)**
Net assets	**116,583**	**153,011**
Equity		
Administration reserve	5,509	7,937
Operational risk reserve	22,607	23,054
Defined benefits that are over funded	88,467	122,020
Total equity	**116,583**	**153,011**

Income Statement for the year ending 30 June	2020 ($'000)	2019 ($'000)
Superannuation activities		
Interest	290	12,336
Distributions from unit trusts	20,970	13,991
Changes in assets measured at fair value	(119,591)	537,623
Other investment income	12,262	536
Other income	299	2,028
Total revenue	**(85,770)**	**566,514**
Administration expenses	(27,548)	(28,514)
Operating expenses	(1,737)	(1,181)
Other expenses	(3,723)	(5,255)
Insurance premiums	(1,192)	(4,417)
Total expenses	**(34,200)**	**(39,367)**
Net result from superannuation activities	**(119,970)**	**527,147**
Operating results	**(119,970)**	**527,147**
Net benefits allocated to defined contribution member accounts	110,395	(486,285)
Net change in defined benefit member liabilities	(32,736)	(72,079)
Operating results before income tax	**(42,311)**	**(31,217)**
Income tax expense/(benefit)	(5,883)	(8,121)
Operating results after income tax	**(36,428)**	**(23,096)**

Statement of Changes In Member Benefits for the year ending 30 June	DC Members ($'000)	DB Members ($'000)	Total ($'000)
Opening balance as at 1 July 2019	**8,392,463**	**885,423**	**9,277,886**
Contributions			
Employer	361,338	29,185	390,523
Member	33,952	1,547	35,499
Transfer from other superannuation plans	176,623	-	176,623
Government co-contributions	233	-	233
Income tax on contributions	(55,936)	(3,544)	(59,480)
Net after tax contributions	**516,210**	**27,188**	**543,398**
Benefits to members/beneficiaries	(900,481)	(142,145)	(1,042,626)
Insurance premiums charged to members' accounts	(19,454)	(4,904)	(24,358)
Death and disability insurance benefits credited to members' accounts	21,316	-	21,316
Benefits allocated to members' accounts, comprising:			
Net investment income	(89,908)	(703)	(90,611)
Administration fees	(20,487)	(515)	(21,002)
Net change in DB member benefits	-	33,954	33,954
Closing balance as at 30 June 2020	**7,899,658**	**798,300**	**8,697,958**

Statement of Changes In Member Benefits for the year ending 30 June	DC Members ($'000)	DB Members ($'000)	Total ($'000)
Opening balance as at 1 July 2018	**7,629,846**	**904,850**	**8,534,696**
Contributions			
Employer	348,788	28,446	377,234
Member	37,307	2,769	40,076
Transfer from other superannuation plans	762,892	-	762,892
Government co-contributions	212	-	212
Income tax on contributions	(53,730)	(4,267)	(57,997)
Net after tax contributions	**1,095,469**	**26,948**	**1,122,417**
Benefits to members/beneficiaries	(821,027)	(115,173)	(936,200)
Insurance premiums charged to members' accounts	(18,961)	(3,281)	(22,424)
Death and disability insurance benefits credited to members' accounts	20,851	-	20,851
Benefits allocated to members' accounts, comprising:			
Net investment income	507,106	54,266	561,372
Administration fees	(20,821)	1,480	(19,341)
Net change in DB member benefits	-	16,333	16,333
Closing balance as at 30 June 2019	**8,392,463**	**885,423**	**9,277,886**

Contact details

Russell Investments Master Trust

Phone
1800 555 667
Monday to Friday, 8:30am – 5:30pm (AEST)

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Locked Bag A4094
Sydney South NSW 1235

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