Russell Investments

Your
Annual Report 2017

This Russell Investments Master Trust Annual Report, as at 30 June 2017, include updates and performances for:

- iQ Super™ by Russell Investments;
- iQ Retirement™ by Russell Investments; and
- Term Allocated Pension.

The 2017 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 has been recognised and validated by the industry's top researchers.

2014 – 2017

For the fourth year in a row, Russell Investments was *Money* magazine's 2017 Best of the Best Gold Winner for Best Multisector Fund.

2005 – 2017

In 2017, iQ Super – General and iQ Super – Saver were again awarded '5 Apples' by Chant West.[1]

2007 – 2017

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

2016 - 2017

iQ Super – Personal[3] was awarded '4 Apples' by Chant West in 2017.[1]

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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, and changed to Russell iQ Retirement in 2016.

[3] Prior to 2016 this product was known as Russell SuperSolution – Personal.

What’s inside

Chairman's message

Welcome to the Russell Investments Master Trust 2016/17 Annual Report.

As the Trustee for your Fund, the Russell Investments Master Trust, everything we do is focused on giving you the very best chance at a great life after work. That's why we provide a range of services to help you make better decisions with your super, a menu of quality investment choices and great insurance coverage at a very competitive cost.

The May 2016 Federal Budget contained some of the most significant changes to superannuation for many years. Some key announcements that came into effect from 1 July 2017 included:

- the annual concessional (before-tax) contribution limit reduced to $25,000 for all
- the annual non-concessional (after-tax) contribution limit reduced from $180,000 to $100,000
- a $1.6 million cap on transfers to retirement accounts
- a 15% concessional tax on investment earnings from Transition to Retirement (TTR) pensions (previously tax-free). Members can still use TTR to work less or save more, but the tax benefits have changed.

If you are unsure how these changes may affect you, please get in touch with us, so we can help you make the most of your super within the new rules.

The 2017 financial year was another strong year for investment returns. All investment options achieved positive returns for the one, three and five-year periods to 30 June 2017. And all diversified options were ahead of their CPI+ objectives over the five-year period.

This was achieved among heightened volatility in global investment markets, largely due to the US election, responses to policy changes and proposals from the new Trump Government, and geopolitical tension.

Market volatility is expected to continue, so it's worth remembering that superannuation is a long-term investment. It is entirely expected that markets will go up and down at different times for a variety of reasons. While your investment manager is carefully managing the risk positions in each investment option, you should review your investment choice against the risk-return level that is most appropriate for your circumstances. If you would like help making an investment decision, please get in touch.

In 2017, we expanded our advice offering to further our support for better super decision making. You now have wider access to advice, and flexibility in the way you receive it. No cost, face-to-face Retire Ready meetings can now be booked with our Retirement Consultants to help you prepare for a great life after work. Almost 800 members have benefited from our no-cost, phone-based advice service. And we have also expanded our comprehensive advice services with the first appointment free.

Our commitment to delivering cutting-edge tools continued with the launch of the Russell Investments Super Mobile App. Co-designed with members, it helps to set a retirement income goal, visualise a retirement income projection, and provide guidance via simple steps to close any savings gap.

Members can 'find and combine' their super in real time, find out how much their investments have added to their balance, see how they compare to others like them and much more. The average user of our app is engaging with their superannuation fortnightly—far more frequently than any other channel we are aware of. The app has been widely recognised, gaining honours as finalist in the mobile app and innovation categories at various industry awards[4]. It is available for members to access from the app store at no cost.

In 2017, we also:

- welcomed nearly 5,000 Nestle members into the Fund
- added a personalised Retirement Tracker to the website, helping members better understand their projected income in retirement
- launched interactive super workshops and face-to-face sessions at work-sites, showing members how they are tracking towards their personal retirement goals and what they can do to improve their position
- reviewed insurance arrangements, negotiating a significant fee reduction without changing any of the terms and conditions of members' insurance cover. This means from 1 July 2017, members of iQ Super – General, Business and Saver pay around 26% less for Death and Total and Permanent Disablement, and Death Only insurance cover, as well as around 24% less for Income Protection insurance cover. Members of iQ Super – Personal now pay around 26% less for Death and Total and Permanent Disablement, and Death Only insurance cover.

Our latest member survey showed that three-quarters of members agree we are making it easy for them to take action with their super. Making even a small contribution, an active investment choice or consolidating multiple funds can have an enormous bearing on your chance at a great life after work.

With all this in mind, I encourage you to take a minute for your future self and take your next best step on your own super To Do List. I also remind you that the Fund offers a broad range of high tech tools and high touch services to help you make the most of your super—start getting the most out of them today!

David J Solomon
Chairman
Total Risk Management Pty Ltd

[4] For a detailed list of our industry awards and recognition, please visit russellinvestments.com.au/awards

Investment market update

For the year to 30 June 2017

Overview

Markets began the financial year positively, with stocks gaining amid expectations Britain's decision to exit the European Union would have little impact on the global economy, further evidence China's economy was stabilising and further encouraging US and European earnings results. Stocks also benefited from additional central bank stimulus; this time in the UK and Japan. In the UK, the Bank of England cut its benchmark interest rate in August to just 0.25% and expanded its stimulus measures while the Bank of Japan announced a variety of new stimulus measures at the same time as keeping its key policy rate unchanged. However, the gains were limited by weaker commodity prices and ongoing geopolitical uncertainty; the latter including a failed military coup in Turkey and rising tensions in the South China Sea.

Stocks came under more pressure toward the end of 2016 with sentiment impacted by increasing uncertainty surrounding the outcome of November's US presidential election, US rate hike speculation and a sharp rise in bond yields. However, this negative sentiment reversed sharply in the wake of Donald Trump's surprise election victory as investors bet his promises to cut taxes, ramp up infrastructure spending and ease regulation would help drive company profits higher. As a result, shares rallied through November and December with financials, energy and materials among the key beneficiaries. Stocks also benefited from another round of encouraging US and European earnings results, news OPEC's members had reached an agreement to curb production and a series of improving US and Chinese economic data. Some profit taking, the US Federal Reserve (Fed)'s decision in December to raise interest rates and ongoing geopolitical concerns did weigh on stocks toward the end of 2016 but these weren't enough to overshadow earlier gains.

Stocks began 2017 on the back foot amid doubts over Donald Trump's ability to deliver on his pro-growth election promises, uncertainty stemming from his proposed travel ban on citizens of seven, mostly Muslim, nations and renewed fears of a 'hard' Brexit. However, sentiment turned more positive through February and March on the back of increasing optimism over the global growth outlook, some encouraging comments from Fed chair Janet Yellen and a series of better-than-expected earnings results globally. Stocks were also well supported by a softening in tensions between the US and China and expectations Trump will shift his focus to tax reform after he failed to get his healthcare reform bill through Congress. Meanwhile, the Fed's much anticipated rate hike decision in March had a relatively neutral impact on stocks as investors had, for the most part, already priced in the move.

Share markets ended the year on a positive note, rising on the back of some strong earnings results from the likes of Alphabet (formerly Google), Morgan Stanley and Amazon, a series of positive US and European data points and a positive election outcome in France, where Emmanuel Macron secured a convincing win over Marine Le Pen in the country's presidential election. However, the gains were limited by a sharp decline in oil prices, another Fed rate hike in June and concerns the easy monetary policies implemented by global central banks in response to the global financial crisis may be nearing an end. Sentiment was also impacted by heightened geopolitical risks, including ongoing US/North Korea tensions and the decision by several Middle Eastern countries to suspend diplomatic relations with Qatar over its alleged sponsorship of terrorist groups.

Global shares

Global share markets made strong gains over the past 12 months, returning 18.9%[5] in local currency terms. In unhedged Australian dollar (AUD) terms, stocks returned 14.7%[6]. Much of the gains were driven by increasing optimism regarding the global recovery and expectations the US economy – the world's largest – is strong enough to withstand higher interest rates. Stocks also received a significant boost from Trump's election win in November, though his failure so far to deliver on his campaign promises and his combative style of leadership have begun to weigh on markets. Ongoing geopolitical uncertainty,

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

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

including Brexit, and expectations central banks will soon begin the process of unwinding their massive stimulus programs were also significant headwinds over the year.

At the regional level, stocks in Japan (28.6%[7]), Europe (20.1%[8]), China (16.3%[9]), the US (15.5%[10]) and the UK (12.4%[11]) all posted strong returns over the period[12].

Australian shares

The Australian share market also made strong gains over the year with the S&P/ASX 300 Accumulation Index closing the period 13.8% higher. The local market benefited from the RBA's decision to cut interest rates to a record low in August, the so-called 'Trump bump' in the wake of Donald Trump's election win in November and general optimism regarding the domestic growth outlook. Stocks were also well supported by some encouraging Chinese economic data, a better-than-expected December-half earnings season and a positive lead from major overseas markets. However, sharp declines in the 'Big Four' banks in the final quarter of the period limited any further gains.

At the sector level, materials (24.6%), financials (20.1%) and utilities (19.7%) posted the biggest gains for the period. Telecommunication services (-21.2%) recorded the largest loss thanks to a sharp decline in sector heavyweight Telstra.

In terms of central bank activity, the Reserve Bank of Australia (RBA) cut interest rates just once over the year (in August). The decision came in the wake of a second consecutive soft inflation reading, with the consumer price index rising just 1.0% for the year ended 30 June 2016. At the time of the decision, the RBA noted that *"recent data confirm that inflation remains quite low"* and that *"this is expected to remain the case for some time."* The move saw the official cash rate reduced from 1.75% to a historical low of just 1.50%, where it stayed throughout the remainder of the period as officials found themselves somewhat hamstrung by a combination of still-low inflation and concerns about an overheating property market. In saying that, officials remained optimistic about the domestic growth outlook, noting that the labour market is improving and that the broader transition to lower levels of mining investment following the mining investment boom continues to gather momentum.

Real estate investment trusts

Australian real estate investment trusts (REITs) struggled over the year, closing the period down 5.6%[13]. Arguably the biggest driver of underperformance was rising bond yields, particularly toward the end of the period as investors reacted negatively to speculation central banks may soon look to unwind their post-global financial crisis stimulus efforts. Limiting the decline were some positive earnings results, an improving domestic growth outlook and the sector's traditionally defensive characteristics in the face of ongoing geopolitical uncertainty. In contrast, global REITs (2.2%[14]) posted reasonable gains over the year as improving global growth, Macron's election win and a series of encouraging US and European earnings results offset late concerns about tighter monetary policy.

Bonds and cash

Global and domestic bonds both made modest gains over the year, returning 0.5%[15] and 0.3%[16], respectively. Yields on longer-term government debt – including our own – were higher (prices lower) for the period, driven by improving US and European economic data, Trump's promises of tax cuts and greater fiscal spending, rising US interest rates and late concerns global central banks are getting closer to unwinding their stimulus programs.

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[7] Japanese shares measured by the TOPIX Index.

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

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

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

[11] UK shares measured by the FTSE 100 Index.

[12] Regional returns are in local currencies.

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

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

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

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

Meanwhile, credit markets were stronger as spreads continued to narrow in line with improving risk appetites.

Cash returned 1.8%[17] over the past 12 months, underperforming all the major asset classes except global and Australian bonds.

Australian dollar

The AUD ended the year higher; the local currency benefiting from a weaker US dollar (USD), stabilising Chinese growth and speculation the RBA has likely reached the bottom of its current tightening cycle. The currency also benefited from stronger base metal prices, including iron ore; though iron ore's gains did disguise a sharp decline through the second half of the year. Limiting the gains were weaker oil prices, speculation toward the end of 2016 that Australia was at risk of losing its coveted AAA credit rating, and a late decline in bond yields. The AUD rose 13.0% against the Japanese yen, 6.6% against the British pound, 3.6% against the USD and 0.5% against the euro. The broader Australian Trade-Weighted Index[18] closed the period up 4.8%.

Where to from here?

We expect volatility to continue through the end of 2017 as investors contend with Donald Trump's aggressive policy agenda, potential further Fed rate hikes, and potential normalisation of monetary policy outside the US.

Europe has benefited from improving earnings and receding political risks involving the spread of populism. Relative to the US, we still believe other developed markets represent better value, though we would like to see further signs of earnings growth and more confidence in the economic growth outlook. Emerging markets were thrown a curve ball by Trump's election victory in November, as the possible rejection of international trade deals and the threat of higher global yields were both expected to have negative impacts. However, emerging economies have shown resilience, even in the face of recent Fed tightening. Whilst we believe emerging markets represent superior value relative to their developed peers on a longer time horizon, we nonetheless remain cautious about buying any dips.

Though bond markets have retraced some of their losses following the US election, we nonetheless maintain our neutral outlook for both government and investment-grade bonds. With interest rates still at historically low levels, we feel bonds are expensive and may face headwinds in the form of potential rising inflation and higher US yields; which could be amplified if the Fed decides to raise rates at a faster pace than expected over the remainder of this year and next, and if global central banks shift away from their accommodative monetary policy stances.

In terms of currencies, the prospect for US tax cuts, deregulation and increased fiscal spending, together with potentially higher US interest rates, could still lead to a rebound in the USD, however the timing and implementation of reforms is uncertain. Meanwhile, the future direction of the AUD is likely to continue to be influenced by movements in commodity prices, especially with the RBA expected to keep interest rates on hold in the foreseeable future.

Overall, we expect global growth to remain modestly positive through the remainder of 2017, with downside risks of further market selloffs as markets continue to adjust to potentially higher levels of interest rates and changes to monetary and fiscal policy, especially in the US.

[17] Cash measured by the Bloomberg AusBond Bank Bill Index.

[18] 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.

Your investment portfolios

Diversified Portfolios for iQ Super by Russell Investments

Defensive

Investment objective

To earn a return after expected 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 around 30% growth investments and around 70% defensive investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	11.8	10.9
International shares	11.6	10.6
Property	4.1	5.4
Fixed income	39.5	49.9
Australian cash	29.5	18.7
Infrastructure	3.0	3.4
Commodities	0.0	0.0
Other alternatives	0.5	1.1

Diversified 50

Investment objective

To earn a return after expected 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 around 50% growth investments and around 50% defensive investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	19.4	18.9
International shares	19.7	19.2
Property	5.2	6.4
Fixed income	29.0	41.0
Australian cash	22.9	9.7
Infrastructure	3.1	3.3
Commodities	0.4	0.4
Other alternatives	0.3	1.1

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

Blended Balanced

Investment objective

To earn a return after expected 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 around 70% growth investments and around 30% defensive investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	30.5	29.7
International shares	29.8	30.1
Property	4.3	4.6
Fixed income	23.9	24.3
Australian cash	9.0	8.6
Infrastructure	2.5	2.7

Balanced

Investment objective

To earn a return after expected 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 around 70% growth investments and around 30% defensive investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	29.2	28.3
International shares	30.9	30.0
Property	5.9	6.7
Fixed income	20.6	29.9
Australian cash	9.9	0.0
Infrastructure	2.5	3.0
Commodities	0.1	0.0
Other alternatives	0.9	2.1

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

Balanced Opportunities

Investment objective

To earn a return after expected 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 around 70% growth investments and around 30% defensive investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	26.3	24.6
International shares	26.4	24.8
Property	7.6	8.5
Fixed income	20.2	28.7
Australian cash	13.8	4.9
Infrastructure	4.5	6.2
Commodities	0.4	0.2
Other alternatives	0.8	2.1

Growth

Investment objective

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

Investment strategy

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

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	33.8	34.4
International shares	36.6	37.1
Property	7.5	7.4
Fixed income	7.9	12.0
Australian cash	9.2	2.3
Infrastructure	3.8	4.2
Commodities	0.6	0.5
Other alternatives	0.6	2.1

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

High Growth

Investment objective

To earn a return after expected costs and tax, exceeding CPI* by 5.0% 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	2017 (%)	2016 (%)
Australian equities	40.0	40.5
International shares	45.2	43.9
Property	4.1	6.6
Fixed Income	-	1.1
Australian cash	4.7	0.1
Infrastructure	1.9	1.7
Commodities	0.2	0.2
Other alternatives	3.9	5.9

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

Diversified Portfolios for iQ Retirement by Russell Investments

Defensive

Investment objective

For Contribution Account

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

For Pension Account

To earn a return after expected 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 around 30% growth investments and round 70% defensive investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	11.3	11.8
International shares	11.4	11.8
Property	3.0	3.2
Fixed income	43.4	43.8
Australian cash	28.9	27.3
Infrastructure	2.0	2.1

Diversified 50

Investment objective

For Contribution Account

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

For Pension Account

To earn a return after expected 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 around 50% growth investments and round 50% defensive investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	20.7	20.6
International shares	20.9	21.2
Property	3.0	3.3
Fixed income	38.6	39.6
Australian cash	15.2	13.4
Infrastructure	1.6	1.5
Commodities	0.0	0.4

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

Balanced

Investment objective

For Contribution Account

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

For Pension Account

To earn a return after expected 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 around 70% growth investments and round 30% defensive investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	28.8	28.9
International shares	29.4	30.2
Property	4.6	4.8
Fixed income	26.1	24.9
Australian cash	9.0	8.8
Infrastructure	2.0	2.0
Commodities	0.1	0.4

Balanced Opportunities

Investment objective

For Contribution Account

To earn a return after expected 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 expected 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 around 70% growth investments and round 30% defensive investments. The Portfolio may be exposed to derivatives.

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	27.9	28.5
International shares	30.3	28.8
Property	4.6	4.7
Fixed income	26.1	27.9
Australian cash	9.0	7.6
Infrastructure	2.1	2.0
Commodities	0.0	0.5

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

Growth

Investment objective

For Contribution Account

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

For Pension Account

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

Investment strategy

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

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Australian equities	35.8	37.1
International shares	37.8	36.7
Property	4.8	5.4
Fixed income	12.5	12.5
Australian cash	7.0	5.7
Infrastructure	2.1	2.1
Commodities	0.0	0.5

High Growth

Investment objective

For Contribution Account

To earn a return after expected costs and tax, exceeding CPI* by 5.0% per annum, measured over rolling 5-year periods.

For Pension Account

To earn a return after expected costs, exceeding CPI* by 5.0% 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	2017 (%)	2016 (%)
Australian equities	43.8	44.3
International shares	44.9	44.3
Property	4.8	5.3
Fixed income	2.9	3.1
Australian cash	1.1	0.1
Infrastructure	2.5	2.6
Commodities	0.0	0.3

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

Sector Portfolios

Australian Cash∇

Investment objective

Expect to earn a return consistent with the benchmark, both measured after costs and tax, over a 1-year period.

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	2017 (%)	2016 (%)
Non-Bank Corporate Debt	0.0	0.0
Mortgage Backed Securities	0.0	0.0
Money Market Instruments	79.2	81.5
Bank Debt	0.0	0.0
Asset Backed Securities	0.0	0.0
Cash	10.8	11.0
Government	10.1	7.4

Australian Cash Enhanced#

Investment objective

For Contribution Account

Expect to earn a return above benchmark, both measured after costs and tax, over rolling 5-year periods.

For Pension Account

Expect to earn a return above benchmark, both measured 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	2017 (%)	2016 (%)
Cash	28.9	26.5
Corporate High Yield	1.9	0.0
Corporate Inv. Grade	38.9	52.3
FX/Rates	-0.5	-1.4
Government	2.1	0.9
Gov. Related	0.4	0.0
Securitised	24.3	19.6
Emerging Markets	4.1	2.1

∇ For iQ Super by Russell Investrments.

\# For iQ Retirement by Russell Investrments.

! This is the actual asset allocation effective 30 June 2017 for both Contribution and Pension accounts.

International Property Securities– $A Hedged

Investment objective

For Contribution Account

Expect to earn a return above benchmark, both measured after costs and tax, over rolling 5-year periods.

For Pension Account

Expect to earn a return above benchmark, measured 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 - $A Hedged

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
North America	56.4	55.1
Continental Europe	12.1	10.2
Japan	10.5	11.8
Asia Ex Japan	9.8	10.8
United Kingdom	5.8	5.9
Australia	5.2	6.1
Emerging Markets	0.3	0.1

Australian Shares[#]

Investment objective

For Contribution Account

Expect to earn a yield above benchmark, with a lower level of volatility (where yield earned includes franking credits, and both portfolio and benchmark returns are measured after costs and tax over rolling 5-year periods).

For Pension Account

Expect to earn a yield above benchmark, with a lower level of volatility (where yield earned includes franking credits, and both portfolio and benchmark returns are measured 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 and may also be exposed to hybrid equity securities such as convertibles and preference shares. The Portfolio will be exposed to derivatives such as options and futures to generate additional income and manage investment risk.

Benchmark

S&P/ASX 200 Accumulation Index

Asset allocation as at 30 June[!]

Asset class	2017 (%)	2016 (%)
Financial-X-Property Trusts	49.5	57.4
Materials	10.9	5.1
Consumer Discretionary	8.3	6.2
Property Trusts	6.6	5.6
Consumer Staples	6.5	7.4
Industrials	5.3	4.0
Utilities	4.2	3.5
Telecommunication Services	4.1	6.6
Health Care	2.7	1.1
Energy	1.9	3.1
Information Technology	0.1	-

[#] For iQ Retirement by Russell Investrments.

[!] This is the actual asset allocation effective 30 June 2017 for both Contribution and Pension accounts.

Australian Shares∇

Investment objective

Expect to earn a return above benchmark, both measured after costs and tax, over rolling 5-year periods.

Investment strategy

The Portfolio is predominantly exposed to shares and trusts listed or about to be listed on the Australian Securities Exchange. The Portfolio may also be exposed to derivatives. Tax efficient strategies are implemented to seek to enhance the after-tax return (net of fees) of the Portfolio.

Benchmark

After-Tax series* off S&P/ASX 300 Franking Credit Adjusted Annual Total Return Index (Superannuation)
*Off-market buy-back and capital gains tax (CGT) adjustments calculated by GBST.

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Financial-X-Property Trusts	36.8	39.9
Materials	15.5	14.3
Health Care	9.3	6.4
Consumer Discretionary	7.8	7.4
Energy	7.0	6.1
Consumer Staples	6.5	5.8
Industrials	5.8	6.2
Property Trusts	3.6	5.4
Telecommunication Services	3.2	3.9
Utilities	3.1	2.9
Information Technology	1.4	1.7

Australian Opportunities

Investment objective

Expect to earn a return above benchmark, both measured after costs and tax, 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 Stock 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	2017 (%)	2016 (%)
Financial-X-Property Trusts	34.5	35.7
Materials	18.3	12.4
Consumer Discretionary	8.9	10.1
Energy	7.4	7.1
Industrials	7.1	7.8
Consumer Staples	6.5	4.1
Health Care	5.4	7.6
Property Trusts	4.1	4.5
Information Technology	3.3	2.8
Telecommunication Services	2.9	4.6
Utilities	1.6	3.2

∇ For iQ Super by Russell Investments.

International Shares

Investment objective

Expect to earn a return above benchmark, both measured after costs and tax, 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 may also be exposed to derivatives and emerging market equity securities.

Benchmark

Russell Developed Large Cap Index – Net

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
North America	59.4	59.2
EMEA ex United Kingdom	16.7	18.2
Japan	7.0	4.2
Emerging Markets	6.9	7.1
United Kingdom	6.2	8.1
Asia / Pacific ex Japan	3.9	3.2

International Shares - $A Hedged

Investment objective

Expect to earn a return above benchmark, both measured after costs and tax, 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 may also be exposed to derivatives and emerging market equity securities. Underlying foreign currency exposures are largely hedged back to Australian dollars.

Benchmark

Russell Developed Large Cap AUD Hedged – Net

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
North America	59.4	59.2
EMEA ex United Kingdom	16.7	18.2
Japan	7.0	4.2
Emerging Markets	6.9	7.1
United Kingdom	6.2	8.1
Asia / Pacific ex Japan	3.9	3.2

Global Opportunities

Investment objective

Expect to earn a return above benchmark, both measured after costs and tax, 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.

Benchmark

Russell Global Large Cap – Net Index

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
North America	48.7	56.7
EMEA ex United Kingdom	14.1	18.6
Japan	12.9	4.4
United Kingdom	11.9	6.5
Emerging Markets	9.7	10.3
Asia / Pacific ex Japan	2.7	3.5

Socially Responsible Australian Shares unit[▿]

Investment objective

Expect to earn a return above benchmark, both measured after costs and tax, 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 Stock Exchange. In selecting shares or unit trusts, consideration is given to one or more socially responsible standards (e.g. social or environmental standards).

Benchmark

S&P/ASX 300 Accumulation Index

Asset allocation as at 30 June

Asset class	2017 (%)	2016 (%)
Energy	4.2	5.7
Materials	20.9	14.3
Industrials	7.4	8.1
Consumer Discretionary	4.0	4.0
Consumer Staples	3.4	3.0
Health Care	7.6	6.0
Information Technology	0.5	0.6
Telecommunication Services	3.8	5.0
Financial-X-Property Trusts	34.2	35.1
Property Trusts	4.6	7.7
Cash & Other	9.4	10.5

[▿] For iQ Super by Russell Investments

Investment returns

If you are an accumulation member, the investment earnings are determined by movement in the daily unit prices of the applicable default investment portfolio or 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, the Balanced Opportunities Portfolio.

Investment returns as at 30 June 2017

The table on the following pages provide the investment returns as at 30 June 2017 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 2017 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

Diversified Portfolio

Portfolios	Inception date*	2017 % (p.a.)	2016 % (p.a.)	2015 % (p.a.)	2014 % (p.a.)	2013 % (p.a.)	5-year % (p.a.)	Since inception % (p.a.)
Conservative	1/07/2003	5.93	2.45	6.38	7.60	8.45	6.14	5.68
Diversified 50	1/07/2003	8.70	1.06	8.58	10.27	12.72	8.19	6.27
Blended Balanced	1/04/2005	12.14	-0.58	10.55	13.66	16.61	10.31	6.49
Balanced	1/07/2003	11.61	-0.25	10.54	12.66	16.86	10.13	6.86
Balanced Opportunities	1/07/2008	11.48	0.31	10.72	12.53	15.49	9.98	6.15
Growth	1/07/2003	13.71	-1.23	11.84	14.43	20.88	11.68	7.30
High Growth	1/04/2005	16.80	-2.24	13.92	16.38	22.34	13.12	6.63

Sector Portfolio

Portfolios	Inception date*	2017 % (p.a.)	2016 % (p.a.)	2015 % (p.a.)	2014 % (p.a.)	2013 % (p.a.)	5-year % (p.a.)	Since inception % (p.a.)
Australian Cash	1/07/2003	1.34	1.72	1.81	1.70	2.22	1.71	3.32
International Property Securities – $A Hedged	1/04/2005	9.52	3.96	9.55	14.69	17.65	10.97	5.61
Australian Shares	1/07/2003	15.38	-1.74	7.03	16.99	23.27	11.84	8.86
Australian Opportunities	1/11/2004	16.83	1.80	8.65	17.07	21.44	12.94	7.71
International Shares	1/07/2003	19.88	-6.10	24.07	17.16	29.83	16.27	5.45
International Shares – $A Hedged	1/11/2004	25.00	-8.51	13.33	18.05	25.03	13.85	6.18
Global Opportunities	1/04/2005	21.77	-4.02	27.54	15.97	28.39	17.29	6.44
Socially Responsible Australian Shares	1/07/2008	15.7	-4.56	11.34	16.00	20.17	11.43	5.90

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[19]	2017 % (p.a.)	2016 % (p.a.)	2015 % (p.a.)	5 years % (p.a.)	Since inception % (p.a.)
Defensive	01/07/07	6.06	3.11	6.30	6.44	5.12
Diversified 50	01/07/07	8.96	2.12	8.30	8.43	5.03
Balanced	01/07/07	11.89	1.27	10.20	10.27	4.87
Balanced Opportunities	01/07/08	11.67	1.43	10.30	10.32	6.96
Growth	01/07/07	14.28	0.56	11.50	11.90	4.31
High Growth	01/07/07	16.52	-0.57	13.30	13.20	4.38
Australian Shares	01/07/07	17.16	-2.26	8.00	10.62	4.02
Australian Opportunities	01/07/07	16.14	4.00	6.70	13.77	5.01
Australian Cash Enhanced	01/07/07	2.75	1.91	3.00	3.46	4.26
International Property Securities – $A Hedged	01/07/07	4.04	8.42	9.90	11.05	3.57
International Shares	01/07/07	15.64	-4.85	25.60	16.83	3.93
International Shares – $A Hedged	01/07/07	21.14	-6.81	11.40	13.88	4.39
Global Opportunities	01/07/07	17.13	-2.93	27.10	17.52	5.58

[19] The date the investment portfolio became available

Contribution Account

Portfolios	Inception date[20]	2017 % (p.a.)	2016 % (p.a.)	2015 % (p.a.)	5 years % (p.a.)	Since inception % (p.a.)
Defensive	01/07/07	4.91	2.71	5.30	5.20	4.16
Diversified 50	01/07/07	7.51	2.01	7.00	6.98	4.11
Balanced	01/07/07	10.00	1.40	8.60	6.05	4.91
Balanced Opportunities	01/07/08	9.44	0.71	7.20	7.24	4.83
Growth	01/07/07	11.61	0.74	10.10	9.94	3.34
High Growth	01/07/07	12.54	-1.65	10.30	9.75	2.94
Australian Shares	01/07/07	12.11	-1.03	5.80	8.41	3.04
Australian Opportunities	01/07/07	15.08	6.01	5.00	12.51	4.47
Australian Cash Enhanced	01/07/07	2.35	1.60	2.30	2.64	3.55
International Property Securities – $A Hedged	01/07/07	3.78	8.85	7.40	9.71	2.88
International Shares	01/07/07	14.06	-1.74	22.50	14.89	3.91
International Shares – $A Hedged	01/07/07	18.83	-2.95	9.90	12.76	3.55
Global Opportunities	01/07/07	16.37	0.14	25.40	16.46	5.03

[20] The date the investment portfolio became available

Term Allocated Pension (TAP)

Portfolios	Inception date[21]	2017 % (p.a.)	2016 % (p.a.)	2015 % (p.a.)	2014 % (p.a.)	2013 % (p.a.)	5 years % (p.a.)	Since inception % (p.a.)
Diversified Portfolios								
Defensive	1/09/04	6.64	2.34	7.50	9.20	9.90	7.08	6.19
Diversified 50	1/09/04	9.36	0.62	8.60	12.20	14.30	8.91	6.58
Balanced	1/09/04	12.33	-1.02	9.80	14.90	18.20	10.64	6.84
Growth	1/09/04	15.30	-2.66	12.70	17.10	21.70	12.52	6.75
Sector Portfolios								
Australian Cash	1/09/04	1.56	1.96	2.20	2.10	2.80	2.12	3.80
Australian Shares	1/09/04	20.07	-3.45	8.30	13.10	14.40	10.19	7.80
Australian Opportunities	1/11/04	16.99	-1.61	8.40	20.60	21.10	12.75	7.88
International Shares	1/09/04	22.41	-9.89	28.20	21.50	33.10	17.99	5.60
International Shares – $A Hedged	1/11/04	28.25	-13.19	14.50	23.40	27.40	14.92	7.36

[21] 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 and the iQ Retirement are divisions of the Fund.

TRM holds a Registrable Superannuation Entity (RSE) licence from APRA. TRM has appointed Russell Investments Employee Benefits Pty Limited, 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, also 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.

Trustee directors

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

David Solomon has a Master of Arts and is a qualified actuary, with over 30 years' experience as a consulting actuary and superannuation adviser. David was Managing Director of Towers Perrin from 1995 until the acquisition of Towers Perrin by Russell Investment Group in 2004. David is the chairman of TRM.

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. She was previously the Deputy Managing Director of MIR Investment Management Pty Limited.

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 is the chairman of the Remuneration Committee and the Audit, Risk and Compliance Committee.

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.

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 chairman of the Investment Committee.

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 Limited

Policy Committee

If you are a iQ Super – Employer 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.

If our enquiry and complaints procedure does not resolve the issue within 90 days, you may be able to take the matter to the Superannuation Complaints Tribunal (SCT). The SCT is an independent body established by the Federal Government to assist members and their beneficiaries with certain types of complaints. The SCT can be contacted by calling 1300 884 114, sending an email to info@sct.gov.au or sending a letter to:

Superannuation Complaints Tribunal

Locked Bag 3060
Melbourne VIC 3001

Other important information

Changes to how you switch investments

From 1 February 2017, the cut off time to submit or cancel an investment switch changed to 4 pm.

If a member submits a switch by 4 pm, it will be processed within 3 business days. If a member submits a switch on or after 4 pm but before midnight, that switch will be processed on the 4th business day.

It is important to note that the new cut off time of 4 pm also applies to cancelling a switch. If you wish to cancel a switch that you have submitted since the previous day's cut off time, you must do so before 4 pm.

Policy on derivatives

Some of the underlying investment managers appointed by Russell Investment Management Limited 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 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.

Transfer of membership from iQ Super – Employer into iQ Super – General

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 iQ Super – General. Your member number and PIN 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 iQ Super - Employer account and transfer it to your iQ Super - General account. The features and fees of iQ Super - General are contained in its Product Disclosure Statement (PDS) which is available from our website russellinvestments.com.au. The PDS will be issued when the iQ Super – General account is opened for you.

Fees and Charges

Fees and charges are documented in the iQ Super - General Product Disclosure Statement (PDS), these include any fees that were previously met by your employer.

Your Investments in iQ Super General: Accumulation Members

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 iQ Super - General. You can change your investment option(s) at any time, both before and after your benefit is transferred to iQ Super – General. 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 in iQ Super – General: 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). 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.

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 in iQ Super - General

Your insured Death and Total and Permanent Disablement (TPD) benefits will continue within iQ 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 iQ Super - General 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 iQ Super – General account when your iQ Super – 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 former temporary resident who has left Australia and your visa has expired or been cancelled, you can claim your super from the Fund as a Departing Australia Superannuation Payment (DASP). Contact the fund for further information on how to initiate a DASP. If you are a temporary resident your super may be classified as unclaimed money and forwarded to the ATO if:

- you are a departed temporary resident
- at least six months have passed since the later of your visa expiring or your departure from Australia
- you are not currently the holder of a temporary, permanent or prescribed visa
- you are not an Australian or New Zealand citizen and have not made a valid application for a permanent visa.

The Australian Securities and Investments Commission (ASIC) has provided relief to superannuation trustees to the effect that a trustee is not obliged to notify, or give an exit statement to, a former temporary resident where the trustee pays unclaimed superannuation to the ATO in accordance with the applicable legislation requirements. If your account balance is transferred to the ATO, you can claim your super from the ATO by calling 13 28 65 or visiting ato.gov.au.

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).

Your account balance will remain invested in iQ Super – General or Personal unless your balance is less than $2,000. In this case you must tell us what you want to do with it 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 administering and paying out 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
- the Rules of the Fund
- extracts of relevant actuarial reports.

Financials

Russell Investments Master Trust's abridged audited accounts for the year ending 30 June 2017 is shown in the table below. For periods beginning on or after 1 July 2016 superannuation entities are required to report under accounting standard AASB1056 - Superannuation Entities, which replaces AAS25 - Financial reporting by Superannuation Plans. The Comparative figures for 2016 have been reported according to the new standard. 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	2017 ($)	2016 ($)
Assets		
Cash and cash equivalents	93,244,341	148,268,761
Receivables and other assets	20,581,509	11,470,514
Investments		
Prime cash management account	-	1,888,824
Units in unit trusts	274,346,853	506,245,401
Pooled superannuation trusts	8,089,479,755	7,239,418,356
Deferred tax assets	1,678,472	1,129,666
Total assets	8,479,330,930	7,908,421,522
Liabilities		
Benefits payable	(132,015)	(132,015)
Payables	(4,925,571)	(8,054,000)
Income tax payable	(2,433,551)	(16,808,677)
Deferred tax liabilities	(2,320,347)	(622,025)
Total liabilities excluding member benefits	(9,811,484)	(25,616,717)
Net assets available for member benefits	8,469,519,446	7,882,804,805
Member benefits		
Defined contribution member liabilities	(7,350,303,083)	(6,723,572,062)
Defined benefit member liabilities	(926,001,941)	(977,859,564)
Unallocated to defined contribution members	(342,350)	(199,461)
Total member liabilities	(8,276,647,374)	(7,701,631,087)
Net assets	192,872,072	181,173,718
Equity		
Administration reserve	6,896,920	4,893,370
Operational risk reserve	20,681,105	19,553,983
Defined benefits that are over funded	165,294,047	156,726,365
Total equity	192,872,072	181,173,718

Income Statement for the year ending 30 June	2017 ($)	2016 ($)
Superannuation activities		
Interest	1,873,930	2,340,819
Distributions from unit trusts	16,856,361	21,722,696
Changes in assets measured at fair value	673,908,773	175,458,321
Other investment income	19,259,897	18,841,326
Family law income	10,284	8,595
Other income	1,885,915	1,073,113
Total revenue	713,795,160	219,444,870
Administration expenses	(35,402,332)	(34,719,162)
Operating expenses	(6,055,948)	(6,070,325)
Other expenses	(40,465)	(35,478)
Insurance premiums	(5,820,915)	(4,712,210)
Total expenses	(47,319,660)	(45,537,175)
Net result from superannuation activities	666,475,500	173,907,695
Profit from operating activities	666,475,500	173,907,695
Net benefits allocated to defined contribution member accounts	(618,601,159)	(130,359,500)
Net change in defined benefit member liabilities	(44,705,898)	(79,380,099)
Profit/(loss) before income tax	3,168,443	(35,831,904)
Income tax expense/(benefit)	(8,529,913)	(6,364,982)
Profit/(loss) after income tax	11,698,356	(29,466,922)

Statement of Changes In Member Benefits for the year ending 30 June	DC Members ($)	DB Members ($)	Total ($)
Opening balance as at 1 July 2016	6,723,771,523	977,859,564	7,701,631,087
Contributions			
Employer	350,011,549	33,529,620	383,541,169
Member	53,665,531	5,203,472	58,869,003
Transfer from other superannuation plans	739,458,926	234,315,460	973,774,386
Government co-contributions	156,679	902	157,581
Income tax on contributions	(52,856,788)	(5,029,443)	(57,886,231)
Net after tax contributions	1,090,435,897	268,020,011	1,358,455,908
Benefits to members/beneficiaries	(1,417,512,219)	(30,381,613)	(1,447,893,832)
Benefits to members/beneficiaries (Internal Transfer)	387,032,684	(387,032,684)	-
Transfer to defined benefit member investment choice (DB MIC)	(51,407,257)	51,407,257	-
Insurance premiums charged to members' accounts	(20,172,288)	(60,766)	(20,233,054)
Death and disability insurance benefits credited to members' accounts	19,895,933	1,484,275	21,380,207
Benefits allocated to members' accounts, comprising			
Net investment income	645,233,497	-	645,233,497
Administration fees	(26,632,338)	(1,599,524)	(28,231,861)
Net change in DB member benefits	-	46,305,421	46,305,421
Closing balance as at 30 June 2017	7,350,645,432	926,001,941	8,276,647,374

Opening balance as at 1 July 2015	6,729,439,094	1,086,502,377	7,815,941,470
Contributions			
Employer	350,835,737	45,208,080	396,043,817
Member	41,396,915	3,102,816	44,499,730
Transfer from other superannuation plans	195,466,496	1,992,726	197,459,223
Government co-contributions	189,802	7,468	197,271
Income tax on contributions	(52,628,700)	(6,781,212)	(59,409,912)
Net after tax contributions	535,260,250	43,529,878	578,790,128
Benefits to members/beneficiaries	(822,661,741)	(78,268,366)	(900,930,107)
Benefits to members/beneficiaries (Internal Transfer)	178,518,581	(178,518,581)	-
Transfer to defined benefit member investment choice (DB MIC)	(23,866,201)	23,866,201	-
Insurance premiums charged to members' accounts	(15,863,056)	(35,899)	(15,898,955)
Death and disability insurance benefits credited to members' accounts	12,585,098	1,403,856	13,988,953
Benefits allocated to members' accounts, comprising			
Net investment income	157,387,437	-	157,387,437
Administration fees	(27,027,937)	(1,706,021)	(28,733,958)
Net change in DB member benefits	-	81,086,120	81,086,120
Closing balance as at 30 June 2016	6,723,771,523	977,859,564	7,701,631,088

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