

The University of Adelaide Superannuation Scheme A 1985

ANNUAL REPORT

2017

Issued by Tidswell Financial Services Ltd ABN 55 010 810 607
Australian Credit Licence 237628, AFSL 237628, RSEL L0000888 as Trustee for
The University of Adelaide Superannuation Scheme A 1985
ABN 94 615 835 536 R1067637

TIDSWELL *well*
FINANCIAL

About this report

Your University of Adelaide Superannuation Scheme A 1985 (the Scheme) 2017 Periodic Statement is made up of two parts:

PART 1: 2017 BENEFIT STATEMENT

Contains personal information to help you understand your benefits over the 2016-17 financial year. You will receive this separately in the mail.

PART 2: 2017 ANNUAL REPORT

This document which contains general information about the Scheme including its financial condition, management and investment performance over the 2016-17 financial year. This document is available online or can be mailed to you free of charge by calling Tidswell on (08) 8223 1676.

Important

The Trustee of the Scheme is Tidswell Financial Services Ltd, ABN 55 010 810 607, AFSL 237628 (RSE Licence Number L0000888). The Scheme's Registration Number is R1067637.

The Periodic Statement (Parts 1 and 2) does not contain financial product advice, so you should not rely on it as such. Before making any decision based on this information, you should obtain and read the relevant Product Disclosure Statement (PDS) and consider seeking independent financial advice relevant to your personal circumstances.

Do you need help?

Contact Tidswell on:

Telephone: (08) 8223 1676

Monday to Friday: 9.00am to 5.00pm ACST

or visit us online at Tidswell.com.au

or write to:

The Trustee
University of Adelaide Superannuation Scheme A 1985
50 Hindmarsh Square
ADELAIDE SA 5000

Contents

Page

A message from the Trustee	1
Investment Report	2
Investment Overview	2
Investment Objective & Strategy	3
Investment Performance	3
Investment management	4
Use of derivatives in the Scheme	4
TRUSTEE'S REPORT	6
Trustee	6
Policy Committee	6
Custodian	6
Audit	6
Compliance	6
Trust Deed	7
Your benefits are 'defined'	7
Some of your benefits 'accumulate'	7
Interim rate	7
Unsegregated assets	7
Agreed rate of 6.5% pa	7
Notional ASSS rate of 6.5% pa	7
Protecting against Identity Theft	7
Privacy	8
Withdrawal Benefit Components	8
Reserving Policy	9
Service Providers	9
Procedures for Inquiries and Complaints	10
Feature Article	11
Abridged Financial Information	15
Statement of Financial Position	15
Scheme Overview	16
Insurance benefits	16
Scheme costs and expenses	16
Employer contributions	16
Unclaimed benefits	16
Eligible Rollover Fund	16
Member's right to request information	17
Disclaimer	17
Contact Us	17

A MESSAGE FROM THE TRUSTEE

Dear Member

I am pleased to present the report for the financial year ended 30 June 2017 for the University of Adelaide Superannuation Scheme A 1985 (the Scheme).

Included with this report is an article worth a read which presents five charts which may help put into perspective five aspects we would do well to remember when investing.

As in the past we have also include specific information relating to investments in the University of Adelaide Superannuation Scheme A 1985, together with important general information relevant to members and pensioners.

Yours sincerely

M J Terlet

Chairman

Tidswell Financial Services Ltd as Trustee of

The University of Adelaide Superannuation Scheme A 1985

INVESTMENT REPORT

Investment Overview

Australian and Global share markets performed particularly well.

The S&P/ASX All Ordinaries Accumulation Index closed up for the month of June 2017, and overall, the 2017 financial year closed on a strong note, with the index up in excess of 14%.

The US and Asia/Pacific share markets finished mostly in positive territory for the month of June, while European markets were down. In the US, while the S&P 500 finished only slightly higher for the month of June, it was up an impressive 15.5% for the full year.

Investment returns for the different asset classes as at 30 June 2017 are detailed in the table below:

Asset Class	1 year %	3 years % pa	5 years % pa	10 years % pa
Balanced Fund				
Morningstar Aus Multisector Balanced TR AUD	6.51	7.11	9.60	4.54
Australian Shares				
S&P/ASX200 TR	14.09	6.63	11.81	3.61
Australian Industrial Shares				
S&P/ASX200 Industrial TR	12.63	8.83	15.00	5.15
Australian Resources Shares				
S&P/ASX300 Resources TR AUD	21.57	-3.28	-0.52	-2.16
International Shares				
MSCI World Ex Australia NR AUD	14.73	12.97	18.24	5.06
Emerging Markets				
MSCI EM NR AUD	20.12	8.31	10.16	2.95
Australian Property				
S&P/ASX200 A-REIT TR	-6.26	11.98	14.14	0.07
International Property				
FTSE EPRA/NAREIT Developed NR Hdg AUD	2.22	7.76	11.42	3.40
Australian Fixed Interest				
Bloomberg AusBond Composite 0 + Yr TR AUD	0.25	4.26	4.32	6.23
International Fixed Interest				
Barclays Global Aggregate TR Hdg AUD	0.47	5.08	5.51	7.52
Cash				
RBA Bank accepted Bills 90 Days	1.77	2.16	2.45	3.76
Consumer Price Index(CPI)	1.93	1.49	1.97	2.36
Australian Weekly Ordinary Time Earnings (AWOTE)¹	1.76	1.92	2.51	3.02

Looking ahead, major central banks are unlikely to be providing the same level of stimulus, if any, as they have done since the Global Financial Crisis which has driven asset prices significantly higher. The improving global economic expansion remains subpar albeit improving. For Australia the construction boom (which took over from the resources boom) is likely to peak next year, if it has not already done so.

This means Australia is unlikely to grow at the same pace as the world in the year ahead. There are also some serious geopolitical issues building which may affect markets if they deteriorate from the present position.

¹ AWOTE information is as at May 2017, the most current information available as published by the Australian Bureau of Statistics as at the date of preparation of this report.

Investment Objective & Strategy

The money in the Scheme is invested so that the Trustee may provide members with their benefits on retirement.

The Trustee has an investment policy that sets an investment strategy and objectives covering how and where the Scheme's assets will be invested. While having an objective and strategy are required by law, having a strategy helps ensure that the Scheme maximises investment returns while maintaining an acceptable level of risk.

The investment policy monitors the Scheme's performance against its objectives and strategy, and changes are made where necessary. A copy of the Scheme's investment policy statement is available on request.

The Trustee's overall investment objective is to obtain the best long-term return possible without incurring excessive risks.

The following strategic asset allocations currently apply and the portfolio is within these benchmarks. The actual asset allocated at 30 June 2017 is illustrated:

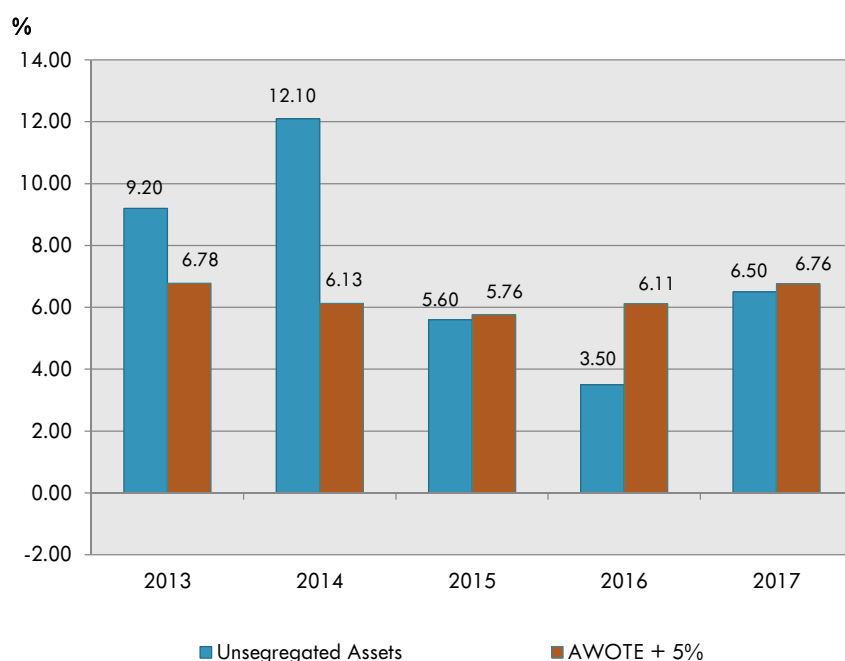
	Actual (%)	Benchmark (%)	Range (%)
Growth			
Property	4	10	0-20
Australian Equities	38	30	20-40
International Equities	15	25	15-35
Total Growth Assets	57	65	55-75
Defensive			
Cash	29	5	0-45
Fixed Interest	14	30	20-40
Total Defensive Assets	43	35	25-45
Total	100%	100%	

The minimum return objective commencing 1 July 2006 for the assets is AWOTE plus 5% pa over the three-year periods between actuarial reviews.

Please note that the objectives are not a forecast or guarantee of future performance.

Investment Performance

The graph shows the Scheme's annual effective rate of net earnings for assets held against all liabilities over the past five years, compared with the Scheme's objective of exceeding average weekly earnings (AWOTE) plus 5%. Please note that this only impacts on your Member Accumulated Contributions, Transfer Value and Ancillary Accumulation Accounts.



Investment management

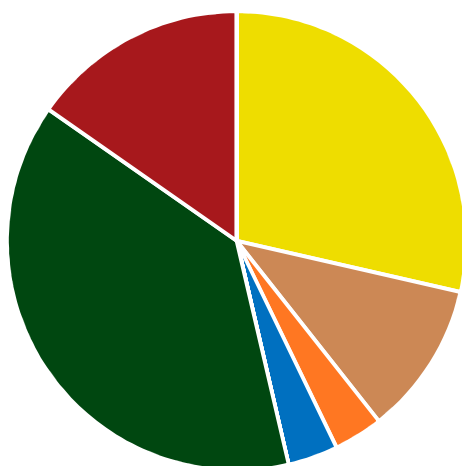
The Trustee has appointed the following investment managers to invest Scheme assets in an agreed manner consistent with the investment strategy.

As at 30 June 2017, the Scheme's assets were distributed among these investment managers in the following amounts:

Investment Option	Amount (\$)	% of Total Assets
Cash at Bank	299,369	2.10%
Bankwest Special Term Deposit	3,137,469	21.98%
BlackRock International Gold Fund - D Class	631,808	4.43%
Colonial First State Wholesale Global Resources	385,040	2.70%
Fidelity Australian Equities Fund	2,589,624	18.14%
Franklin Global Growth Fund - W Class	372,143	2.60%
Magellan Global Fund	377,016	2.64%
PIMCO EQT Wholesale Diversified Fixed Interest Fund	595,705	4.17%
Platinum International Fund	432,831	3.03%
Schroder Balanced Fund S Class	1,327,515	9.30%
Nikko AM - Tyndall Australian Share Wholesale Portfolio	2,513,939	17.61%
Vanguard Australian Government Bond Index Fund	1,128,080	7.90%
Vanguard Australian Property Securities Index Fund	485,576	3.40%
Total	\$14,276,115	100.00%

The Trustee is required to provide details of any investment over 5% of the Scheme's total assets. The table above shows the proportions of total assets held in each investment including any individual holdings in excess of 5% of total assets.

Asset Allocation at 30 June 2017



Cash	28.58%
Australian Fixed Interest	10.79%
International Fixed Interest	3.46%
Australian Property	3.54%
Australian Shares	38.34%
International Shares	15.30%

Use of derivatives in the Scheme

Derivatives, such as futures or options, are investment products whose value is derived from other investments. For example, the value of a share option is linked to the value of the underlying share.

The Trustee does not directly use derivative instruments.

External managers may use derivatives in managing pooled investment vehicles in which the Trustee invests. Where this is the case, the Trustee considers the associated risks and the controls in place by analysing the managers' Derivatives Risk Statements (DRSs). Regular reporting of the managers' compliance with their DRSs is received.

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TRUSTEE'S REPORT

Trustee

The Trustee of the Scheme, under the Trust Deed governing the rules of the Scheme, is Tidswell Financial Services Ltd (Tidswell) ABN 55 010 810 607, RSEL L0000888, AFSL 237628.

The Directors of the Trustee at the end of the reporting period were:

Mr Ronald Beard - appointed 20 August 2012

Mr Stephen Heath - appointed 14 May 1999

Ms Christina Liosis - appointed 1 October 2016

Mr Michael O'Neill - appointed 1 October 2016

Mr Michael Terlet AO - appointed 19 April 1991

Mr Jeffrey Tidswell - appointed 11 May 1988, and

Ms Susan Zabrud - appointed 28 October 2016.

The Trustee holds professional indemnity insurance.

The Trustee has agreed to act as the independent corporate Trustee and the Scheme is administered by the Trustee.

Policy Committee

The Policy Committee has been established to act as a conduit between the Trustee, the Employer and the members of the Scheme. There are two members of the Policy Committee who are appointed by the members of the Scheme and two are appointed by the University of Adelaide. A representative of the Trustee chairs the Policy Committee.

The members' representatives are:

Mr Michael Guerin

Mr Peter Zalewski

The University of Adelaide's representatives are:

Mr Geoff Purdie

Mr Andre Scott

The Trustee representative is:

Mr Jeff Tidswell

In certain instances, under the Superannuation Industry (Supervision) Act, equal representation between the members and employer is required.

Custodian

The independent corporate Custodian of the Scheme, under a written agreement with the Trustee, is:

Australian Executor Trustees Limited

ABN 84 007 869 794

Level 22, 207 Kent Street

SYDNEY NSW 2000

Audit

PricewaterhouseCoopers has completed an audit for the Scheme. The audited abridged financial information for the Scheme is provided on pages 15 of this Annual Report. A full copy of the audited accounts and auditor's report will be available for inspection on Tidswell's website www.tidswell.com.au.

Compliance

The Trustee believes that the Scheme has satisfied the Superannuation Industry (Supervision) Act (SIS) for the 3 years ended 30 June 2017, and that the Australian Prudential Regulation Authority (APRA) will be satisfied that the Scheme is operating in accordance with SIS. The Trustee believes that the Scheme has satisfied SIS for the period beginning 1 July 2017 to the date on which this Annual Report was completed.

Trust Deed

There were no changes made to the Trust Deed during the year ending 30 June 2017.

Your benefits are 'defined'

Generally your benefit on retirement is based on a calculation that takes account of your years of membership and your salary immediately prior to retirement. This part of your retirement benefit is not affected by how the Scheme's investments perform.

Some of your benefits 'accumulate'

Part of your benefit may be linked to investment performance, i.e. the part of your benefit that depends on your Member Accumulated Contribution, Transfer Value and Ancillary Accumulation Accounts.

Interim rate

An interim rate is used to update benefits for members leaving the Scheme before the rate is declared for the year. This interim rate is regularly reviewed taking into account the Scheme's investment performance.

Unsegregated assets

Annual effective rate of net earnings for 2017 (the actual rate of return net of tax and investment expenses)	6.0% pa
Compound average effective rate of net earnings (over the most recent five-year period)	7.2% pa
Agreed rate for the year to 30 June 2017 (applied to your accumulation accounts in the Scheme)	6.5% pa
Compound average agreed rate (over the most recent five-year period)	7.3% pa
Notional ASSS rate for the year to 30 June 2017	6.5% pa
Compound average Notional ASSS rate (over the most recent five-year period)	7.3% pa
AWOTE for the year to 31 May 2017 ²	1.8% pa

Agreed rate of 6.5% pa

While the Scheme's benefits are primarily linked to salary and years of membership, some of the benefits paid to members who resign from service are based on various accumulations with interest. Also, retirement benefits are subject to a minimum based on an accumulation of members' contributions with interest.

The rate applied to accumulations is called the 'Agreed Rate'. The Trustee determines this rate annually to ensure that it reflects the investment earnings of the assets of the Scheme (other than those assets held to support pensions).

Please note that the Agreed Rate may be positive or negative based on investment earnings. References in this Annual Report to rates applied and accumulations with interest include debiting interest where the Agreed Rate is negative.

Notional ASSS rate of 6.5% pa

Some members of the Scheme have underlying accumulations with interest, which stem from a previous superannuation scheme known as ASSS. The rate applied to these accumulations is based on yields from Commonwealth bonds and the level of the Agreed Rate. For the year to 30 June 2017, the Notional ASSS rate was set at 6.5%.

Protecting against Identity Theft

Your Annual Statement (**Periodic Statement Part 1**) contains sensitive identity information about you and personal financial information about your benefits within the Scheme. It is extremely important that you protect it from misuse or identity theft. Tidswell has a number of security measures in place, including proof-of-identity verification to protect your personal information.

² AWOTE information is as at May 2017, the most current information available as published by the Australian Bureau of Statistics as at the date of preparation of this report.

Privacy

At Tidswell we have always respected your privacy, and have policies in place to make sure your personal information is kept private and confidential. These policies are aligned with the requirements of the Federal Government's privacy laws.

You can access the Trustee's Privacy Policy online at www.tidswell.com.au or by calling Tidswell on 08 8223 1676.

If we are unable to collect your personal information we may not be able to manage and administer the product or service you require.

We will generally only use or disclose your personal information for the purpose for which we collected it and for related purposes we consider will be within your reasonable expectations. Otherwise, we will seek your consent prior to using or disclosing your personal information for another purpose unless we are required or permitted by law to do so without seeking your permission.

Withdrawal Benefit Components

Preserved Benefits

Preserved benefits can only be paid if the Member satisfies one of the following conditions of release:

- retires from employment and has reached preservation age (see table below);
- terminates employment on or after age 60, irrespective of future work intentions;
- dies;
- is permanently incapacitated;
- suffers severe financial hardship;
- reaches age 65;
- qualifies on compassionate grounds;
- receives a non-commutable income stream during a period of temporary incapacity;
- has reached preservation age and takes the benefits as a non-commutable income stream;
- is a former temporary resident who has departed from Australia;
- transfers their superannuation to a New Zealand KiwiSaver Scheme;
- suffers from a terminal illness; or
- has given a release authority to the fund for amounts to be released.

Preservation age varies according to your date of birth as detailed below:

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

Restricted Non-Preserved Benefits

Restricted non-preserved benefits include benefits accruing to a member in an employer superannuation scheme which accrued before 1 July 1999 and which are not preserved but are not yet payable because the member is still an employee of the employer. These benefits can be withdrawn in the same circumstances as preserved benefits but may also be withdrawn on the member terminating employment with that employer, which can be before preservation age.

Unrestricted Non-Preserved Benefits

Unrestricted non-preserved benefits are benefits which the member could have withdrawn but which have been rolled over to another superannuation fund. These include employment termination payments that were rolled into a fund rather than taken as cash. These benefits are not subject to preservation and can be withdrawn at any age.

Reserving Policy

We are required under legislation to keep a financial reserve to cover any losses that members incur due to a breakdown in operations. This is referred to as the Operational Risk Reserve (ORR).

Operational Risk Reserve Investment Strategy

The Trustee has determined that the ORR has sufficient resources for the present. Accordingly Members will, for the moment, not be required to contribute to this reserve. The Trustee has determined to hold all such reserves in Cash.

The Trustee reserves the right to apply a levy in the future should the reserve fall below the requirements set out in legislation.

The balance of the Operational risk reserve at the end of the previous three years is summarised below.

Year ended 30 June	Fund Reserve(\$)
2017	\$37,000
2016	\$36,000
2015	\$35,000

Service Providers

The Trust Deed permits the Trustee to appoint independent specialists to assist with the management and operation of the Scheme. The Trustee has appointed the following professional firms to provide services to it:

Service	Professional Firm
Custodian (the independent corporate Custodian of the Scheme)	Australian Executor Trustees Limited ABN 84 007 869 794
Administrator (administers and maintains all records of the Scheme)	Tidswell Financial Services Ltd ABN 55 010 810 607
Auditor (independently verify the financial and operational strength of the Scheme)	From 2 Feb 2017 it is PRICEWATERHOUSECOOPERS ABN 52 780 433 757 Prior to 2 Feb 2017 it was Grant Thornton Australia Limited ABN 41 127 556 389
Banker (provides banking services to the Scheme)	Bank SA, a division of Westpac Banking Corporation ABN 33 007 457 141
Investment Manager(s) (where assets of the Scheme are invested for future growth)	<ul style="list-style-type: none"> • Blackrock Investment Management (Australia) Limited ABN 13 006 165 975 • Colonial First State Investment Limited ABN 98 002 348 352 • FIL Limited ABN 13 115 163 723 • Franklin Templeton Investments Australia Limited ABN 87 006 972 247 • Magellan Asset Management Limited ABN 31 120 593 946 • Nikko AM Limited ABN 99 003 376 252 • PIMCO Australia Pty Limited ABN 54 084 280 508 • Platinum Investment Management Limited ABN 25 063 565 006 • Schroder Investment Management Australia Limited ABN 22 000 443 274 • Vanguard Investment Australia Ltd ABN 72 072 881 086

Procedures for Inquiries and Complaints

If you have an issue or concern regarding the Scheme you can outline your concerns in writing to the Trustee and the matter will be investigated in accordance with our inquiries and complaints handling procedure.

Inquiries & Complaints Officer
Tidswell Financial Services Ltd
50 Hindmarsh Square
ADELAIDE SA 5000

General Complaints

If the matter cannot be resolved by the Trustee to your satisfaction within 90 days, you can lodge an appeal to an external forum, known as the Superannuation Complaints Tribunal (**SCT**). The SCT is an independent body, established by the Commonwealth Government to resolve disputes between superannuation funds and their members and/or potential beneficiaries if the internal complaints procedure of the superannuation fund has failed to resolve the complaint. Acting as a mediator, the SCT aims to resolve issues by mutual agreement. If a mutual agreement cannot be reached, the SCT may review the matter and make a binding decision.

The complaints which the SCT can deal with are limited. If you wish to find out whether the SCT can deal with your complaint and, if so, what information you will need to supply, you may contact them at:

Superannuation Complaints Tribunal
Locked Bag 3060
MELBOURNE VIC 3001

Phone: 1300 884 114
Email: info@sct.gov.au

Financial Product Advice

If your complaint relates to financial product advice provided by the Trustee or a representative of the Trustee, and you are not happy with the response to your complaint or dispute, or you have not received a response within 45 days, you may be able to lodge a complaint with the Financial Ombudsman Service (**FOS**).

The FOS is an independent body set up to assist consumers in the resolution of complaints relating to the financial services industry; in particular, the provision of financial products and advice. The FOS may be able to assist you to resolve your complaint. You can contact FOS at:

Financial Ombudsman Service
GPO Box 3
MELBOURNE VIC 3001

Phone: 1300 780 808
Email: info@fos.org.au

FEATURE ARTICLE

Oliver's Insights | AMP Capital

25 July 2017 | Edition 21

Five great charts on investing

Key points

- At its core, successful investing is simple, but we have a knack of making it look complex.
- These five great charts help illuminate key aspects of investing: the power of compound interest; the investment cycle; the roller coaster of investor emotion; the wall of worry; and time is on your side when investing.

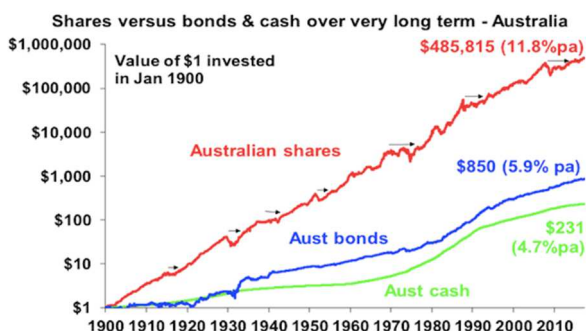
Introduction

Investing is often seen as complicated. And this has been made worse over the years by the increasing complexity in terms of investment products and choices, regulations and rules around investing, the role of the information revolution and social media in amplifying the noise around investment markets and the expanding ways available to access various investments. But at its core, the basic principles of successful investing are simple.

And one way to demonstrate that is in charts or pictures – after all, a picture tells a thousand words. So this note looks at five charts I find useful in understanding investing.

Chart #1 The power of compound interest

This chart is my absolute favourite. My good friend, the well known economist Dr Don Stammer, has said there are six things we owe our children or grandchildren: a sense of humour; a reasonable education; an early understanding of the magic of compounding; an awareness the cycle lives on; some help when they buy their first house or apartment; and a feeling of optimism. I can't argue with the first, second and fifth, the fourth I will deal with next, and a feeling of optimism is essential if you wish to succeed as an investor. But on compound interest – he's right it is like magic!



The chart shows the value of \$1 invested in various Australian assets in 1900 allowing for the reinvestment of dividends and interest along the way. That \$1 would have grown to \$231 if invested in cash, to \$850 if invested in bonds and to \$485,815 if invested in shares. While the average return since 1900 is only double that in shares relative to bonds, the huge difference between the two at the end owes to the impact of compounding or earning returns on top of returns. So any interest or return earned in one period is added to the original investment so that it all earns a return in the next period. And so on.

The "Law of 72" is a useful tool to understanding how long it takes an investment to double in value using compounding. Just divide the rate of return into 72 and that's the answer (roughly). For example, if the rate of return is 2% per annum (eg, the interest rate on a bank term deposit), it will take 36 years to double in value (= 72 divided by 2). But if it's, say, 8% pa (eg, the expected total return from shares including dividends), then it will take just 9 years (= 72 divided by 8).

Key message: if we want to grow our wealth, we must have exposure to growth assets like shares and property.

Chart #2 The cycle

But of course shares can have lots of setbacks along the way as is particularly evident during the periods highlighted by the arrows on the share market line. In fact, the higher returns shares generate over time relative to cash and bonds is compensation for the periodic setbacks that they suffer from.

But understanding those periodic setbacks – that there will always be a cycle – is important in not getting blown away from the higher returns that shares and other growth assets provide over time. The next chart shows a stylised version of the investment cycle.

The grey line shows the economic cycle from “boom” to “bust” to “boom” again. Prior to the low point in the economic cycle, shares invariably find a bottom thanks to attractive valuations and easy monetary policy and as smart investors look forward to an eventual economic recovery.

This phase is usually characterised by scepticism as economic conditions are yet to improve. Shares then move higher, eventually supported by stronger earnings on the back of improving economic conditions, which eventually gives way to a blow off phase or euphoria as investors pile in.

This is ultimately brought to an end as rising inflation flowing from strong economic conditions results in ever-tightening monetary policy, which combines with smart investors anticipating an economic downturn and results in shares coming under pressure. Usually around the top of the cycle real assets – like property and infrastructure – are a better bet than shares as they benefit from strong real economic conditions.

But once the downturn hits bonds are the place to be as slowing growth eventually gives way to falling inflation all of which sees bond yields decline producing capital gains for investors. At some point, of course, easing monetary conditions and attractive valuations see shares bottom out and the whole cycle repeats.

Key message: cycles are a fact of life and while they don't repeat precisely, it's invariably the case that the share market leads the economic cycle (bottoming out before economic recovery is clear and topping out before an economic downturn has really hit) and that different assets perform relatively best at different phases in the cycle.

The investment cycle

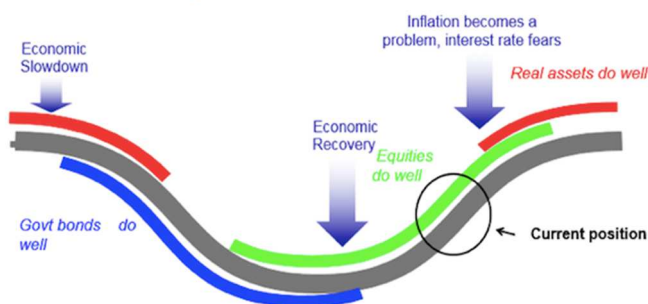


Chart #3 The roller coaster of investor emotion

The swings we see in investment markets are far greater than can be justified by movements in investment fundamentals alone – ie profits, dividends, rents, interest rates, etc. In fact, investor emotion plays a huge part.

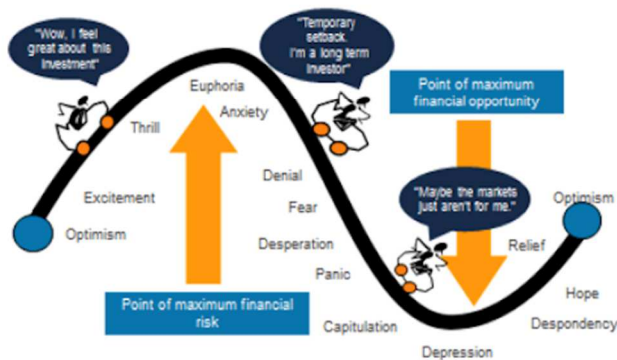
The next chart shows the roller coaster that investor emotion traces through the course of an investment cycle. A bull market runs through optimism, excitement, thrill and ultimately euphoria by which point the asset class is over loved (and usually overvalued too) – everyone who is going to buy has – and it becomes vulnerable to bad news.

This is the point of maximum risk.

Once the cycle starts to turn down in a bear market, euphoria gives way to anxiety, denial, fear, capitulation and ultimately depression at which point the asset class is under loved (and usually undervalued) – everyone who is going to sell has – and it becomes vulnerable to good (or less bad) news.

This is the point of maximum opportunity.

Once the cycle turns up again, depression gives way to hope, relief and optimism before eventually moving on to euphoria again.



Key message: investor emotion plays a huge roll in exaggerating the investment cycle. The key for investors is not to get sucked into this emotional roller coaster: avoid assets where the crowd is euphoric and convinced it's a sure thing and the asset is over loved, and favour assets where the crowd is depressed and the asset is under loved.

Chart #4 The wall of worry

It seems that these days there is always something for investors to worry about. This year so far has been no exception with numerous worries about President Trump on multiple fronts (will he overstimulate the US economy? will he cause trade wars? will he deliver on his pro-business policies? will he be impeached? etc), various terrorist attacks, elections in the Netherlands and France and worries about Italy, the surprise election result in the UK, tensions between Saudi Arabia and Qatar, a new plunge in the oil price, intensifying "provocations" from North Korea, ongoing worries about the Australian property market and banks, etc. But most of this stuff is just noise. The global economy has had plenty of worries over the last century, but it got over them with Australian shares returning 11.8% per annum since 1900, with a broad rising trend in the All Ords price index as can be seen in the next chart, and US shares returning 9.8% pa. (Note that this chart shows the All Ords share price index whereas the first chart shows the value of \$1 invested in the All Ords accumulation index, which

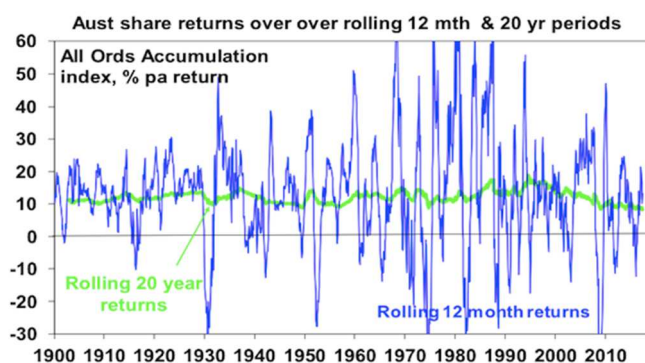


allows for changes in share prices and dividends.

Key message: worries are normal around the economy and investment markets but most of them are just noise.

Chart #5 Time is on your side

Investment markets bounce all over the place in the short term. As can be seen in the next chart even annual returns in the share market are highly volatile, but longer-term returns tend to be solid and relatively smooth. Since 1900 for Australian shares roughly two years out of ten have had negative returns but there are no negative returns over rolling 20-year periods. (It's roughly three years out of ten for US shares since 1900.



Key message: the longer the time horizon, the greater the chance your investments will meet their goals. So in investing, time is on your side.

Dr Shane Oliver Head of Investment Strategy and Chief Economist AMP Capital

Important note: While every care has been taken in the preparation of this document, AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232497) and AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426455) make no representations or warranties as to the accuracy or completeness of any statement in it including, without limitation, any forecasts. Past performance is not a reliable indicator of future performance. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. An investor should, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to the investor's objectives, financial situation and needs. This document is solely for the use of the party to whom it is provided.

ABRIDGED FINANCIAL INFORMATION

Statement of Financial Position	2017 (audited)	2016 (audited)
	\$'000	\$'000
Assets		
Investments.....	14,276	13,930
Tax Assets.....	49	58
Other assets.....	373	297
Total Assets	14,698	14,285
Liabilities		
Tax Liabilities.....	39	70
Other liabilities	18	34
Total Liabilities	57	104
Net assets available for member benefits	14,641	14,181
Member benefits	14,847	14,708
Total net assets (liabilities)	- 206	- 527
Reserve.....	37	36
Total reserves	37	36
Operating Statement	2017 (audited)	2016 (audited)
	\$'000	\$'000
Investment Income.....	616	600
Changes in net market values	249	(47)
Total net income	865	553
General administration and operating expenses.....	240	221
Total expenses	240	221
Results from superannuation activities before income tax expense	625	332
Income tax (expense) benefit.....	(60)	(75)
Results from superannuation activities after income tax expense	685	407
Net change in defined benefit member benefit.....	(364)	(100)
Operating result after income tax	321	307
Statement of changes in benefits	2017 (audited)	2016 (audited)
	\$'000	\$'000
Opening Balance	14,708	14,500
Contributions including transfers.....	696	1,107
Income tax on contributions.....	(100)	(162)
Net after tax contributions	596	945
Benefits to members or beneficiaries.....	821	837
Net change in member defined benefits	(364)	(100)
Closing Balance	14,847	14,708

The full audited Accounts of the University of Adelaide Superannuation Scheme A 1985 together with Directors' remuneration and attendance record, and the auditor's report, are available for inspection on the Trustees website, www.tidswell.com.au

SCHEME OVERVIEW

Insurance benefits

The Scheme also provides you with a benefit in the case of your death; this amount is detailed on your annual member statement. Part of this benefit may be provided via insurance.

The actuarial formula used to determine the level of insurance has resulted in no insurance being required as there are currently sufficient assets to meet all death and disability benefits.

Scheme costs and expenses

Investment managers' expenses are taken into account in the net investment returns determined for the Scheme.

The cost of running the Scheme and the insurance premiums are effectively paid by your employer. The costs involved in running the Scheme are not deducted from your benefit.

The Trustee may charge a fee for providing information for family law purposes or for splitting your super. You will be informed of all the fees and charges at the time.

All expenses are current and may be revised by the Trustee from time to time due to changes to, for example, your superannuation environment (i.e. Government regulations) or trust deed or fee increases charged by our service providers. The Trustee may also introduce new fees. The Trustee will notify you if there is an increase in fees and charges.

Employer contributions

In a defined benefit fund, you pay a fixed member contribution.

The remaining money required to provide your benefits comes from your employer's contributions and investment earnings. The amount your employer provides depends on the Scheme's investment performance and financial position. An independent actuary advises your employer on the level of employer contributions required to ensure there is enough money to pay members' benefits. The actuary projects likely benefit payouts, salary growth and investment returns to calculate your employer's contribution level.

As at 30 June 2017, your employer was contributing in accordance with the actuary's recommendations. All contributions payable for the year by your employer have been paid to the Scheme.

At 1 July 2016 the Actuary confirmed the Scheme was in a satisfactory financial position as demonstrated by a Vested Benefits Index for the Scheme of 101.6%. These vested benefit liabilities assume 50% of members take a pension and 50% take a lump sum.

The financial position for the fund as at 1 July 2017 cannot be ascertained as the Liability for Vested Benefits for 30 June 2017 has yet to be calculated by the scheme's actuary as part of the annual comprehensive actuarial review.

The actuary has recommended that the University of Adelaide make contributions to the Scheme at rates set to meet the financing objective of 110% vested benefit coverage. The University has paid contributions in accordance with the actuary's recommendations, and has agreed to continue to do so.

Unclaimed benefits

In certain circumstances the Trustee is required to report and transfer unclaimed superannuation benefits to the Australian Taxation Office.

These unclaimed superannuation benefits include:

- unclaimed superannuation money for
 - a member 65 years old or older;
 - a non-member spouse; or
 - a deceased member.
- unclaimed superannuation money of former temporary residents;
- certain accounts belonging to lost members;
- small amounts (where the balance is less than \$6,000); and
- inactive accounts (of unidentifiable lost members).

Enquiries about unclaimed superannuation money may be directed to the Australian Taxation Office at the above address or by phoning 13 10 20.

To search for lost superannuation, you can access the Super Seeker tool at the Australian Taxation Office website at www.ato.gov.au or by phoning 13 28 65 and following the prompts. Super Seeker is a free service available 24 hours a day, 7 days a week. To use Super Seeker online or by phone you will need to provide:

- your name;
- date of birth; and
- Tax File Number (TFN).

Eligible Rollover Fund

If you do not advise the Trustee of how to pay your benefits within 90 days of leaving, your super benefit may be paid as a lump sum to an Eligible Rollover Fund.

The Trustee will select a competitive Eligible Rollover Fund at the appropriate time as required.

Member's right to request information

Members have the right to request copies of the following information from the Trustee:

- The provisions of the governing rules of the Scheme which relate to the person's membership or would affect the entitlements or rights of the member.
- The audited accounts and Auditor's Report.
- The most recent Actuarial Report.
- The most recent Annual Report to members.
- Any other information a member reasonably requires to understand their benefit entitlements.

This information must be provided within 30 days of receiving the member's request.

CONTACT US

If you have a question about your benefits in the Scheme, please contact the Trustee.

Administration Assistant
Tidswell Financial
50 Hindmarsh Square
ADELAIDE SA 5000

Phone (08) 8223 1676
Fax (08) 8232 1675
Email mail@tidswell.com.au

Disclaimer

This Annual Report has been prepared by the Trustee to comply with its legislative obligations under the Corporations Act. The information contained in this Annual Report does not take account of the specific needs, nor the personal or financial circumstances of any persons. Readers should obtain specialist advice from a licensed financial adviser before making any changes to their own superannuation arrangements or investments.

The terms of your membership in the Scheme are set out in the Scheme's Trust Deed, and should there be any inconsistency between this Annual Report and the Scheme's Trust Deed, the terms of the Scheme's Trust Deed prevail. While all due care has been taken in the preparation of this report, the Trustee reserves the right to correct any errors and omissions.

All statements of law or matters affecting superannuation policy are correct at 30 June 2017.

This document contains general information about investments and investment performance. Please remember that past performance is not necessarily a guide to future performance.

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