

Slate

Grosvenor Pirie Master Superannuation Fund – Series 2 2023 Annual report



Contents

| | |
|------------------------|----|
| Governance | 6 |
| Investments | 7 |
| Investment performance | 8 |
| Investment strategy | 10 |
| Investment allocation | 13 |
| Investment managers | 15 |
| News in superannuation | 16 |
| Important information | 18 |
| Directory | 25 |

About this Annual Report

This Annual Report is for members of Simple Choice Super and Slate Super, sub plans of Grosvenor Pirie Master Superannuation Fund Series 2 ABN 32 367 272 075 R1001204 referred to in this Annual Report as GPMSF-2, the Fund or the Plan. Simple Choice Super is closed to new members, while Slate Super is open to new members. Information in this report relates to members of the Simple Choice Super division and Slate Super division unless otherwise stated as relating to the Fund.

This Annual Report has been issued by Diversa Trustees Limited (the Trustee or Diversa Trustees or We) ABN 49 006 421 638, AFSL 235153 RSE Licence L0000635 as Trustee of Simple Choice Super and Slate Super. The Promoter and Investment Manager of Simple Choice Super and Slate Super is Responsible Investment Services Pty Ltd ABN 77 630 578 200 AFS Representative No. 001298392, which is a Corporate Authorised Representative of Simple Financial Choices Pty Ltd (ABN 58 629 890 900 AFSL No. 537462). The Sub-Promoter of Simple Choice Super and Slate Super is Simple Financial Choices Pty Ltd ABN 58 629 890 900 AFS Representative No. 537462.

This Annual Report should be read in conjunction with the Annual Member Statement, which shows your member entitlement in the Fund as at 30 June 2023. If you would like a hard copy of this Annual Report sent to you free of charge, please contact Simple Choice Super on (02) 8556 7576 or Slate Super on (02) 8074 1772.

The information in this document is intended to provide you with general information only and does not take into account one or more of your personal objectives, financial situation and needs. Before making any financial decisions about Slate Super, it is important that you consider the current Product Disclosure Statement (PDS) and Target Market Determination (TMD) relevant to your membership and consider your particular circumstances and whether the particular financial product is right for you. Simple Choice Super is closed to new members and does not have a current PDS and TMD available so before making any financial decision about Simple Choice Super please consider the Product Disclosure Statement you downloaded on join or contact us on (02) 8556 7576. The Slate Super PDS and TMD is available by calling Slate Super on (02) 8074 1772 or visiting slatesuper.com.au. You should consult a financial adviser if you require personal advice.

Governance

The names of the Directors of the Trustee as of 30 June 2023 are as follows:

Current as at 30 June 2023

| Name | Date Appointed |
|----------------------------|--|
| Michael John Terlet AO, | 18 February 2021, Resigned 30 June 2023 |
| Vincent Plant, Chairperson | 4 May 2017 |
| Fiona Margaret McNabb | 28 June 2019 |
| Ronald Peter Beard | 18 February 2021 |
| Andrew John Peterson | 28 June 2019 |
| Sue Thomas | 15 August 2022 |
| Mark Walter | 26 June 2023 |

In 2022/23 Michael John Terlet resigned as a non-executive Director/Chair on 30 June 2023. Mark Walter was appointed as a non-executive Director to the Diversa Board in June 2023. Mark Walter is an experienced commercial lawyer and executive with more than 30 years of experience in the legal profession as a lawyer, director and executive. Mark has extensive experience in consumer and regulatory law, financial services and commercial litigation in all jurisdictions. Sue Thomas has had a distinguished career in law, corporate finance, IT and financial services. She is an experienced company director and audit and risk committee chair.

Remuneration

The Directors of the Board did not receive and are not due any remuneration from the Fund in connection with the management of the Fund. Director's fees are paid by Diversa Trustees Limited.

Board committees

The Board of the Trustee is committed to strong principles of corporate governance, including continuous improvement of its performance and processes.

The following committees assist the Board, which in some cases involves engagement of external experts:

- Investment Committee, and
- Audit and Compliance Committee.

No penalties were imposed this year on any responsible person under Section 38A of the *Superannuation Industry (Supervision) Act 1993*.

Professional indemnity insurance

Diversa Trustees has professional indemnity insurance to protect the Trustee, its directors and the Fund against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant policy and complies with the requirements of Section 912B of the *Corporations Act 2001*.

The Trust Deed

The governing rules of the Fund are set out in the Grosvenor Pirie Super Fund Trust Deed. The Board has some powers to alter the Trust Deed. A copy of the Fund Trust Deed can be found at diversa.com.au/funds/.

Compliance

Simple Choice Super and Slate Super are products in Grosvenor Pirie Master Superannuation Fund Series 2, ABN 32 367 272 075, R1001204, a regulated Superannuation Fund and complies with the *Superannuation Industry (Supervision) Act 1993 (SIS Act)*. The Fund lodges a return with APRA every year and has not received a notice of

non-compliance from APRA. No penalties have been imposed in respect of the Fund under the relevant superannuation legislation.

Audit

Deloitte Touche Tohmatsu has completed the audit of the Fund. The audited abridged financial information for the Fund is provided within the 'Abridged Financial Information' of this Annual Report. The Fund's financial accounts and audit report can be made available to members on request by phoning Slate Super (Refer Directory on the back page).

Investments

Slate Super is easy to join online, help to find and combine other super accounts, has a lifestages investment option, competitive fees, and simple insurance available, but only if you want it. We do more than just send you statements with numbers on a page. We also seek new ways to inform, connect and engage with our members on the issues that matter.

Slate Super offers a single investment strategy based on your age - **Slate Super Lifestages**. The Fund does not offer a MySuper product, therefore, we are unable to accept contributions on your behalf unless an *Application Form* has been completed. By completing an Application Form for Slate Super you will be authorising for 100% of your account balance to be invested in the Slate Super Lifestages investment strategy.

Please refer to the PDS and Additional Information Guide and TMD at the Slate Super website for further details at slatesuper.com.au.

The investment strategy of the Fund takes into account the following criteria:

- the risk involved in making, holding and realising investments, and the likely return from those investments, having regard to the Fund's objectives and its expected cash flow requirements,
- the composition of the Fund's investments as a whole including the extent to which the investments are diverse or involve the option of being exposed to risks from inadequate diversification,
- the liquidity of the Fund's investments having regard to its expected cash flow requirements, and
- the ability of the Fund to discharge its existing and prospective liabilities.

The objective, strategy and asset allocation for the Simple Choice Super and Slate Super investment options are given below. The objective is not a promise or guarantee of a particular return or benefit but is utilised by the Trustee to measure the performance of the option.

Part of the Fund's assets may be allocated to external fund managers and their products. Asset allocations may vary from time to time for various reasons including asset allocation decisions and market movements.

The upper and lower limits of the benchmark may also vary from year to year, depending on changes to the Investment Strategy made by the Trustee.

Refer to the current Slate Super Product Disclosure Statement ("PDS") including related incorporated information for more detailed information about the investment strategy and investment risks. The Slate Super PDS and TMD are available by contacting Slate Super on (02) 8074 1772 or by emailing info@slatesuper.com.au, or downloading from the website at slatesuper.com.au.

You should consider the likely investment return and the risk and your investment time frame when choosing an investment option.

2022-23 FY Market Commentary

Economic Conditions

The focus going into FY22-23 was how governments globally would wind back stimulus programs implemented during the COVID-19 pandemic and increase interest rates with inflation pressures becoming the significant economic and social concern, with commodity price surges and production and transport delays given supply chain issues and the devastating invasion of Ukraine. Climate events such as floods and drought also contributed to rising inflation levels.

During the financial year, global inflation surged to multi-decade highs. Inflation rose sharply to over 10% in Europe, above 9% in the US and to 8.4% in Australia in late 2022 leading to central banks across the globe embarking on the sharpest rate hike cycle in decades in an attempt to bring inflation back under control. Australian electricity prices increased by 14% and food by more than 11%. The Reserve Bank of Australia (RBA) followed other central banks in raising rates, with the cash interest rate climbing dramatically from 0.85% in June 2022 to 4.10% by 30 June 2023. This saw mortgage borrowing rates surge higher. For renters, there has been an intense squeeze as landlords have passed on higher borrowing costs by putting up rents for tenants.

Fortunately, there was some moderation in price pressures toward the end of the financial year with Australia's inflation coming in at 5.6% in May and the US at 4%. By financial year end, it became clear that policy tightening was beginning to do its job with a decline in both inflation and economic growth. This was also accompanied by falling long bond yields which provided some support for long duration assets.

At this stage, most major economies have avoided slipping into recession, although leading economic indicators are pointing towards further growth weakness in the quarters ahead. The RBA's view is that inflation remains too high and high interest rates are needed to ensure that inflation falls back to within the targeted 2% - 3% range. The RBA believes that Australia can maintain a 'narrow path' of preserving economic growth even with the large increases in interest rates.

Financial Markets

Notably over FY 22-23, there were a wide range of share performances across countries and industries.

Even with significant risks relating to inflation, interest rates and political uncertainties, global shares delivered strong gains. Though global share prices fell sharply at the start of the financial year they rebounded strongly from October 2022 with the market confident that corporate profits had been resilient to the risks and the conviction that Artificial Intelligence, or 'AI,' will deliver remarkable benefits. Unhedged global shares delivered very strong returns of around 22% over the year given the benefit of a weaker Australian dollar. A key feature of the rally was narrowness in breadth with a handful of IT stocks leading US equities and ultimately global equities higher (including Nvidia +179%, Meta +78%, Apple +42%, Microsoft +33%, Amazon +23%, Tesla +17% and Alphabet +10%). US shares delivered a robust gain of just over 17%.

European shares also made strong gains even with the challenges of rising interest rates and Russia's invasion of Ukraine on their doorstep. The Japanese share market delivered an incredibly strong 25.8% annual gain given the benefit of interest rates remaining near 0% and a weak currency. The Chinese and Hong Kong markets lagged behind the rest of the world with both producing negative for the year as their economic recoveries stalled.

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In Australia, equities returned around 14% for the year lead by the IT sector (+32.2%) - a similar tale to the global tech story. Materials, resources and utilities also performed strongly with returns for each of the sectors in excess of 20%. Surprisingly, despite the challenges of higher inflation and interest rates the consumer discretionary and financial sectors also performed well, returning 13% and 12.9% respectively.

Australian fixed income returned a soft 1.2% annual return, which was below the 2.9% cash return. Global bonds had a disappointing year with a weak -1.2% return due to rising inflation and interest rates.

Global property securities also performed disappointingly with a -5.9% return. The sharp rise in interest rates as well as worries about 'working from home' negatively impacting office occupancy has seen property securities underperform. The Australian property securities market fared better returning a positive 7.5% over the year.

Slate

Simple Choice Super and Slate Super Investment performance

A superannuation funds investment performance typically varies over time. Because superannuation is a long-term investment, longer term returns (such as 5 and 10 investment returns) smooth out short term results.

Depending on the nature of each investment option (including its risk profile), an investment option may experience negative returns from time to time and it is generally not appropriate to assess the performance of an investment option by the return for a single year or other short-term periods.

Actual returns will be determined by the investment strategy adopted and prevailing market conditions.

Information on investment performance relating to your Account specifically is provided in your Annual Member Statement for the year ended 30 June 2023.

Investment Performance Returns % - Financial Year 30 June 2023²

| Simple Choice Super and Slate Super returns as at 30 June 2023 | 1 year ¹ p.a. | 5 Years p.a. | 10 Years p.a. | Since inception ² p.a. |
|--|--------------------------|--------------|---------------|-----------------------------------|
| Accumulation | | | | |
| Balanced Growth ³ (closed to new members) | 9.65% | 3.89% | N/a | 3.87% |
| Lifestage – Sand ⁴ | 13.68% | N/a | N/a | 4.39% |
| Lifestage – Coral ⁵ | 10.83% | N/a | N/a | 1.51% |
| Lifestage – Ocean ⁶ | 8.64% | N/a | N/a | 0.50% |
| Lifestage – Sky ⁷ | 4.64% | N/a | N/a | -1.98% |

Notes:

1. Returns are based on actual investment options. Returns shown for 1 year periods or longer are annualised amounts and are net of all investment fees, administration fees and taxes, excluding member direct fees. Returns are calculated using changes in the unit price. Past performance should not be relied upon as an indication of future returns.
2. Compound returns since inception are compound annualised averages and are net of all investment fees, administration fees and taxes excluding member direct fees.
3. Inception date for Balanced Growth was 28/08/2017.
4. Inception date for Lifestage - Sand was 1 July 2020 with first members 14 July 2020.
5. Inception date for Lifestage - Coral was 1 July 2020 with first members 18 August 2020.
6. Inception date for Lifestage - Ocean was 1 July 2020 with first members 20 February 2021.
7. Inception date for Lifestage - Sky was 1 July 2020 with first members 25 August 2020.

Neither past performance nor volatility is a reliable indicator of what may happen in the future. Neither capital nor returns are guaranteed.

Past performance is calculated net of investment fees and taxes excludes fees charged to member Accounts directly, and does not take into account inflation.

Investment strategy

The tables following contain information regarding the investment strategy of the Fund for the year ended 30 June 2023. Details of investment options shown are not a guarantee of any particular benefit or return. The investment option objectives are used by the Trustee to measure the performance of the Fund's investments.

You should consider the most up to date PDS, PDS Guides and TMD where applicable, Annual Report and any Significant Event Notices provided to you when choosing an investment option.

There are two investment strategies in the Fund for members of Simple Choice Super and Slate Super as at 30 June 2023:

IMPORTANT: If you joined Simple Choice Super before 1 July 2020, your super account will be wholly invested in our Balanced Growth investment option, which is now closed to new members. For more information about this investment option, see below or contact us.

Lifestages investment strategy (open to new members)

The lifestages investment solution selects from four pre-mixed investment options – Sand, Coral, Ocean and Sky – to personalise an investment strategy that's relevant to your gender, age and account balance.

Here's how the lifestages investment solution works: We invest your super account in one of four pre-mixed investment options based on your gender, your age and your account balance (together, your "lifestage"). Younger members with smaller account balances will generally be invested in an option that has a higher allocation of growth assets such as shares, as you have more time to withstand the rises and falls of the share market. As you age, and as your account balance grows, your account balance will move through investment options that are gradually investing more heavily in defensive assets, such as cash and fixed interest, to make your investment portfolio more stable as you approach retirement. We'll review your personal investment strategy against your gender, age and account balance annually, and change the investment option you're invested in if you meet the criteria of a new lifestage.

IMPORTANT: You are not able to elect the investment option that you want your account balance invested in, or switch investment options.

Slate

| | SAND | | | CORAL | | | OCEAN | | | SKY | | |
|--|---|-------|--------|---|-------|--------|---|-------|--------|---|-------|--------|
| Suitability | Likely to suit long-term investors who want exposure to assets with potentially higher returns. | | | Likely to suit medium to long-term investors who want exposure to assets with potentially higher returns. | | | Likely to suit medium-term investors who want exposure to assets with potentially higher returns. | | | Likely to suit short to medium-term investors who are closer to retirement. | | |
| Investment Return Objective ¹ | CPI + 3.00% p.a. over rolling 10-year periods | | | CPI + 2.50% p.a. over rolling 8-year periods | | | CPI + 1.75% p.a. over rolling 6-year periods | | | CPI + 0.50% p.a. over rolling 3-year periods | | |
| Asset Classes and Benchmark Allocations ² | Lower | Upper | B/mark | Lower | Upper | B/mark | Lower | Upper | B/mark | Lower | Upper | B/mark |
| Australian Equities | 30% | 60% | 45% | 25% | 50% | 40% | 25% | 40% | 35% | 10% | 25% | 18% |
| International Equities | 25% | 45% | 35% | 25% | 45% | 35% | 10% | 30% | 15% | 5% | 20% | 8% |
| Australian Listed Property | 5% | 10% | 7.5% | 0% | 10% | 2.5% | 0% | 10% | 5% | 0% | 10% | 2% |
| Listed Infrastructure | 5% | 10% | 7.5% | 0% | 10% | 2.5% | 0% | 10% | 5% | 0% | 10% | 2% |
| Total Growth | | | 95% | | | 80% | | | 60% | | | 30% |
| Australian Fixed Interest | 0% | 10% | 0% | 0% | 10% | 5% | 5% | 25% | 15% | 15% | 40% | 30% |
| International Fixed Interest | 0% | 10% | 0% | 0% | 15% | 5% | 5% | 25% | 15% | 15% | 40% | 30% |
| Cash | 0% | 10% | 5% | 5% | 20% | 10% | 5% | 20% | 10% | 5% | 20% | 10% |
| Total Defensive | | | 5% | | | 20% | | | 40% | | | 70% |
| SRM ³ | High | | | High | | | High | | | High | | |
| ENR ⁴ | 4 to less than 6 | | | 4 to less than 6 | | | 4 to less than 6 | | | 4 to less than 6 | | |

¹ Target investment return objective is after investment fees and taxes have been paid but before administration fees have been deducted. While we aim to achieve this return objective, future returns are not guaranteed.

² Standard Risk Measure. For more information, see [Additional Information Booklet](#) or [contact us](#).

³ Estimated number of negative annual returns over any 20-year period. For more information, see [Additional Information Booklet](#) or [contact us](#).

Moving through the Slate Super Lifestages

MALE/OTHER^{*}

| Age [#] | Account Balance (\$,000) | | | | | | | |
|--------------------|--------------------------|---------|---------|---------|---------|---------|---------|------|
| | 0-100 | 100-200 | 200-300 | 300-400 | 400-500 | 500-600 | 600-700 | 700+ |
| 18-24 [^] | Sand | Coral | Ocean | Sky | Sky | Sky | Sky | Sky |
| 25-34 | Sand | Sand | Coral | Ocean | Sky | Sky | Sky | Sky |
| 35-44 | Sand | Sand | Sand | Coral | Ocean | Sky | Sky | Sky |
| 45-54 | Sand | Sand | Sand | Sand | Coral | Ocean | Sky | Sky |
| 55-64 | Sand | Sand | Sand | Sand | Sand | Coral | Ocean | Sky |
| 65-69 | Sand | Sand | Sand | Sand | Coral | Sky | Sky | Sky |
| 70-74 | Coral | Coral | Ocean | Ocean | Sky | Sky | Sky | Sky |
| 75-84 | Ocean | Sky | Sky | Sky | Sky | Sky | Sky | Sky |
| 85+ | Sky | Sky | Sky | Sky | Sky | Sky | Sky | Sky |

FEMALE

| Age [#] | Account Balance (\$,000) | | | | | | | |
|--------------------|--------------------------|---------|---------|---------|---------|---------|---------|------|
| | 0-100 | 100-200 | 200-300 | 300-400 | 400-500 | 500-600 | 600-700 | 700+ |
| 18-24 [^] | Sand | Coral | Ocean | Ocean | Ocean | Sky | Sky | Sky |
| 25-34 | Sand | Sand | Coral | Ocean | Ocean | Sky | Sky | Sky |
| 35-44 | Sand | Sand | Sand | Coral | Ocean | Ocean | Sky | Sky |
| 45-54 | Sand | Sand | Sand | Sand | Coral | Ocean | Sky | Sky |
| 55-64 | Sand | Sand | Sand | Sand | Sand | Coral | Ocean | Sky |
| 65-69 | Sand | Sand | Sand | Sand | Sand | Coral | Ocean | Sky |
| 70-74 | Coral | Coral | Coral | Sand | Coral | Coral | Coral | Sky |
| 75-84 | Ocean | Ocean | Sky | Ocean | Sky | Sky | Sky | Sky |
| 85+ | Sky | Sky | Sky | Sky | Sky | Sky | Sky | Sky |

^{*} If you elect Transgender, Intersex or Other on the Join Form or we do not have a record of your gender, you will be invested in accordance with the investment strategy outlined above.

[^] If you are under the age of 18, you will be invested in accordance with the 18-24 age group.

Slate

Balanced Growth investment strategy (closed to new members)

| Investment Return Objective [#] | | | |
|---|-------------|-------------|------------|
| CPI + 2.5% per annum over rolling 6-year periods (before tax and after investment costs) | | | |
| Investment Strategy | | | |
| The option aims to invest in a diverse mix of assets, primarily in growth assets such as shares and property, with a small allocation to defensive assets such as cash. This option aims to achieve long term growth by accepting higher levels of risk consistent with a high growth investment strategy. Specific allocations may vary but the option will retain a broad 70/30 split between growth and income assets. | | | |
| Asset Classes and Benchmark Allocations | Upper Limit | Lower Limit | Benchmark |
| Australian Shares* | 55% | 25% | 40% |
| International Shares* | 30% | 10% | 20% |
| Listed Infrastructure | 20% | 5% | 10% |
| Total Growth | | | 70% |
| Fixed Interest | 30% | 5% | 20% |
| Cash | 20% | 5% | 10% |
| Total Defensive | | | 30% |
| Suitability | | | |
| This option is intended to be suitable for members comfortable with accepting short term market/performance volatility in order to achieve higher medium and long-term returns. This option is now closed. | | | |
| Recommended Minimum Investment Timeframe | | | |
| 4 to less than 6 years | | | |
| Risk Level [^] | | | |
| 6 - High (It is estimated that there may be a negative annual return 4 to less than 6 times over any 20-year period). | | | |

Target investment return objective is after investment fees but before tax and administration fees have been deducted. While we aim to achieve this return objective, future returns are not guaranteed.

* Includes property securities and real estate investment trusts (REITs).

[^] Based on the Standard Risk Measure. For more information contact us on (02) 8556 7576.

Standard Risk Measure

The risk profile of the Fund's investment strategy is based on the Standard risk measure. The standard risk measure is based on industry guidance to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The standard risk measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a customer may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Customers should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

Investment allocation

Gross assets of the Fund as 30 June 2023

The following table provides information on the portfolio allocation for all of the Slate Super and Simple Choice Super investment options as at 30/06/2023.

| Balanced Growth (closed to new members) | 30 June 2022 | | 30 June 2023 | |
|---|----------------|---------------|----------------|---------------|
| | % of Assets | Amount \$'000 | % of Assets | Amount \$'000 |
| International shares | 14.77% | 9,526 | 22.19% | 16,789 |
| Australian Shares | 54.04% | 34,859 | 42.85% | 32,424 |
| Fixed Interest | 25.50% | 16,448 | 21.40% | 16,190 |
| Cash | 5.70% | 3,676 | 13.56% | 10,258 |
| Total Assets | 100.00% | 64,509 | 100.00% | 75,661 |

Slate

| Lifestage - Sand | 30 June 2022 | | 30 June 2023 | |
|-----------------------|----------------|----------------|----------------|----------------|
| | % of Assets | Amount \$'000 | % of Assets | Amount \$'000 |
| International shares | 42.90% | 74,905 | 35.61% | 142,142 |
| Australian Shares | 51.23% | 84,456 | 46.70% | 186,385 |
| Listed Infrastructure | 0.00% | - | 5.25% | 20,972 |
| Property | 0.00% | - | 5.20% | 20,750 |
| Cash | 5.87% | 10,243 | 7.24% | 28,895 |
| Total Assets | 100.00% | 174,604 | 100.00% | 399,144 |

| Lifestage - Coral | 30 June 2022 | | 30 June 2023 | |
|-----------------------|----------------|---------------|----------------|---------------|
| | % of Assets | Amount \$'000 | % of Assets | Amount \$'000 |
| International shares | 35.08% | 26 | 34.52% | 363 |
| Australian Shares | 38.96% | 29 | 39.52% | 415 |
| Fixed Interest | 16.59% | 12 | 9.99% | 105 |
| Listed Infrastructure | 0.00% | - | 3.25% | 34 |
| Property | 0.00% | - | 3.24% | 34 |
| Cash | 9.37% | 7 | 9.48% | 99 |
| Total Assets | 100.00% | 74 | 100.00% | 1,050 |

| Lifestage - Ocean | 30 June 2022 | | 30 June 2023 | |
|----------------------|--------------|---------------|--------------|---------------|
| | % of Assets | Amount \$'000 | % of Assets | Amount \$'000 |
| International shares | 26.34% | 14 | 14.43% | 251 |
| Australian Shares | 32.34% | 18 | 34.57% | 602 |
| Fixed Interest | 34.10% | 19 | 29.69% | 517 |

Slate

| | | | | |
|-----------------------|----------------|-----------|----------------|--------------|
| Property | 0.00% | 0 | 4.97% | 86 |
| Listed Infrastructure | 0.00% | 0 | 4.94% | 86 |
| Cash | 7.21% | 4 | 11.40% | 198 |
| Total Assets | 100.00% | 55 | 100.00% | 1,740 |

| Lifestage - Sky | 30 June 2022 | | 30 June 2023 | |
|-----------------------|----------------|---------------|----------------|---------------|
| | % of Assets | Amount \$'000 | % of Assets | Amount \$'000 |
| International shares | 12.82% | 65 | 8.45% | 115 |
| Australian Shares | 16.67% | 84 | 17.57% | 240 |
| Fixed Interest | 63.32% | 321 | 58.96% | 804 |
| Listed Infrastructure | 0.00% | - | 2.10% | 29 |
| Property | 0.00% | - | 2.15% | 29 |
| Cash | 7.19% | 36 | 10.77% | 147 |
| Total Assets | 100.00% | 506 | 100.00% | 1,364 |

Investment managers

Significant investments

The assets of the Fund are invested in a range of investment funds or products. The table below provides information regarding the Fund's total holdings in the investment funds or products of the underlying fund managers managed the investment funds or products in which assets of the Simple Choice Super and Slate Super Fund were invested as at 30 June 2023.

As at 30 June 2023 assets inside Simple Choice Super and Slate Super which individually represent more than five (5) per cent of total assets were:

| Assets | % | \$'000 |
|--|--------|---------|
| Betashares Australian Sustainability Leaders ETF Units | 45.32% | 220,065 |
| Betashares Global Sustainability Leaders ETF Units | 32.88% | 159,659 |
| National Australia Bank | 6.53 | 31,734 |
| Macquarie True Index Global Infrastructure Securities | 6.03% | 29,268 |
| Macquarie True Index Australian Listed Property | 4.30% | 20,900 |

Note: the underlying fund managers utilised by the Trustee for investment of the Fund's assets may be changed from time to time at the absolute discretion of the Trustee. They are shown in this report to provide historical information about the investments of the Fund during the year. You have no ability to choose the underlying fund managers utilised by the Trustee.

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Combining investments offered by the Fund by Investment Manager to indicate those managers with 5% or more of the Fund's assets are set out below:

| Assets | % | \$'000 |
|--|--------|---------|
| BetaShares Capital Limited (ABN 78 139 566 868) | 79.80% | 387,534 |
| Macquarie Investment Management Limited (ABN 66 002 867 003) | 13.66% | 37,004 |

Other considerations

Derivatives

The Trustee does not permit any investments directly in any futures, options or other derivative instruments. However, external managers may use derivatives in managing pooled investment vehicles in which the Trustee invests. Derivatives may be used for the purpose of hedging transactions and managing risk.

Labour standards, environmental, social and ethical considerations

Labour standards, environmental, social and ethical considerations are not taken into account in the selection, retention or realisation of investments for the Simple Choice Super and Slate Super investment strategy.

Please refer to the PDS, Additional Information Guide and TMD for further information on Slate Super's investment strategy.

News in superannuation

There were a number of changes to the superannuation regulatory landscape during the 2022-2023 financial year. The most significant changes are detailed below.

Annual Performance Test

Each year the Australian Prudential Regulatory Authority (APRA) conducts a performance test to assess the performance of superannuation products against industry benchmarks. The performance test looks at both investment returns and fees. The first performance test for MySuper products was performed in 2021. For Choice Products, which members actively choose to invest their superannuation saving in, the first performance test was performed in 2023. Any superannuation products that failed the performance test were required to write to their members to notify them. For more information, please refer to the following link available here

Superannuation Guarantee Percentage

The Superannuation Guarantee rate (SG rate), which is the minimum amount of super your employer legally must pay to your super, increased from 10.5% to 11%.

| Period | General Super Guarantee (%) |
|--|-----------------------------|
| 1 July 2022 – 30 June 2023 | 10.5 |
| 1 July 2023 – 30 June 2024 | 11.0 |
| 1 July 2024 – 30 June 2025 | 11.5 |
| 1 July 2025 – 30 June 2026 and onwards | 12.0 |

Downsizer Contributions – Eligibility Age

Subject to eligibility requirements, an individual member can contribute up to \$300,000 from the proceeds of the sale (or part sale) of their home into their superannuation fund, providing them with a one-off way to contribute additional funds to their superannuation. On 1 January 2023 the eligibility age for making a downsizer contribution changed from 60 years or older, to 55 years or older. This change allows more Australians to make use of this superannuation scheme if they consider it suitable for their situation, and they meet all the eligibility requirements. For more information on superannuation downsizer contributions and eligibility requirements please visit the ATO website at the following link available here.

Transfer Balance Cap

The general transfer balance cap (TBC), being the amount of money that you can transfer into a tax-free retirement account, increased from \$1.7 million to \$1.9 million. If an individual's transfer balance account (TBA) reached \$1.7m or more at any point before 1 July 2023, their TBC after 1 July 2023 would remain at \$1.7m. If the highest amount in their account was less than \$1.7m, then their cap is proportionally indexed based on the highest ever balance their TBA reached.

Pension Minimum Drawdown Rates

During the COVID-19 pandemic the Federal Government temporarily reduced the minimum pension drawdown rates for pension members to allow for greater flexibility. This was first put in place for the 2019/20 financial year and was later extended to the end of 2022/23. From 1 July 2023, the reduction to minimum drawdowns came to an end, and the standard default minimum drawdown rates applied.

| Age | 2019–20 to 2022–23 income years (inclusive) | 2023-24 income years and onwards |
|------------------------|---|----------------------------------|
| Preservation Age to 64 | 2% | 4% |
| 65 to 74 | 2.5% | 5% |
| 75 to 79 | 3% | 6% |
| 80 to 84 | 3.5% | 7% |
| 85 to 89 | 4.5% | 9% |
| 90 to 94 | 5.5% | 11% |
| 95 and over | 7% | 14% |

| Caps for the 2023-2024 financial year | | |
|---|-------------|----------------|
| Super Guarantee (SG) contributions | 11% | |
| Concessional contributions cap | \$27,500 | |
| Non-concessional contribution cap | \$110,000 | |
| Super Co-Contributions (lower Income Threshold \$43,445, Higher Income Threshold \$58,445) | Max. \$500 | |
| Low income super tax offset (LISTO) Adjusted taxable income up to \$37,000 (based on Concessional Contributions made to the Fund) | Max. \$500 | |
| Transfer Balance Cap | \$1,900,000 | |
| CGT cap | \$1,705,000 | |
| Low rate cap | \$235,000 | |
| Minimum annual pension amount | 4% | Under age 65 |
| | 5% | Age 65 – 74 |
| | 6% | Age 75 – 79 |
| | 7% | Age 80 – 84 |
| | 9% | Age 85 – 89 |
| | 11% | Age 90 – 94 |
| | 14% | Age 95 or more |

The information provided here is general in nature, and has been prepared without taking into account your own objectives, financial situation, and needs. Before making decisions based on the information provided, you should consider how appropriate this information is for your individual circumstances by doing further research, and consider seeking independent professional advice.

Important information

Abridged financial information

Set out below is the abridged financial information relating to the Grosvenor Pirie Master Superannuation Fund Series 2 of which Simple Choice and Slate Super are sub-funds:

| Statement of Financial Position as at 30 June | 2023 (\$'000) | 2022 (\$'000) |
|---|----------------|----------------|
| ASSETS | | |
| Cash and cash equivalents | 41,478 | 21,077 |
| Investments | 453,883 | 229,833 |
| Pending settlements | 5,800 | - |
| Distributions and dividends receivable | 10,580 | 5,485 |
| Other receivables | 1,841 | 1,825 |
| Deferred tax assets | - | 3,482 |
| TOTAL ASSETS | 513,582 | 261,702 |
| LIABILITIES | | |
| Accounts payable and accrued expenses | 595 | 470 |
| Benefits payable | 1,107 | 426 |
| Current tax liabilities | 10,105 | 7,366 |
| Deferred tax liabilities | 556 | - |
| TOTAL LIABILITIES | 12,363 | 8,295 |
| NET ASSETS AVAILABLE TO PAY BENEFITS | 501,219 | 253,407 |
| Member benefits | 494,679 | 251,501 |
| Contributions not allocated to Members | 803 | 172 |
| TOTAL NET ASSETS | 5,737 | 1,734 |
| EQUITY | | |
| Operational Risk Reserve | 1,132 | 629 |
| Expense Reserve | 291 | 169 |
| Unallocated Surplus | 4,314 | 936 |
| TOTAL EQUITY | 5,737 | 1,734 |

Slate

| Income Statement For the Year Ended 30 June | 2023 (\$'000) | 2022 (\$'000) |
|--|----------------|-----------------|
| Superannuation activities | | |
| Interest Revenue | 440 | 1,049 |
| Dividend and distributions | 13,581 | 7,867 |
| Net change in fair value of investments | 41,548 | (46,220) |
| Other Income | 952 | 1,202 |
| Total Net Income | 56,521 | (36,102) |
| Less Expenses | | |
| General Administration Expenses | (6,040) | (4,712) |
| Total Expenses | (6,040) | (4,712) |
| Income tax (expense)/benefit | (3,517) | 5,491 |
| Results From Superannuation Activities After Income Tax Expense | 46,964 | (35,323) |
| Net benefits allocated to defined contribution members | (42,003) | 33,926 |
| Operating Result After Income Tax | 4,961 | (1,397) |

| Statement of Changes in Member Benefits | 2023 (\$'000) | 2022 (\$'000) |
|---|----------------|----------------|
| Opening balance of member benefits (as at 1 July) | 251,501 | 197,845 |
| Employer contributions | 181,143 | 99,317 |
| Member contributions | 671 | 1,081 |
| Government co-contributions | 4,012 | 1,211 |
| Transfers in from other superannuation funds | 95,910 | 154,132 |
| Income tax on contributions | (27,307) | (15,213) |
| Net after tax contributions | 254,429 | 240,528 |
| Benefits to members | (54,001) | (50,389) |
| Member transfers out as part of Successor Fund Transfer | - | (103,135) |
| Insurance premiums charged to member Accounts | (1,233) | (568) |
| Reserve transferred to/(from) members | | |
| - Operational Risk Reserve | (192) | (243) |
| - Expense Reserve | (173) | (135) |
| - Unallocated surplus | 1,882 | 1,509 |
| Compensation Payments | 163 | 15 |
| Net benefits allocated to defined contribution members | 42,003 | (33,926) |
| Closing balance of member benefits (as at 30 June) | 494,679 | 251,501 |

Slate

| Statement of Changes in Equity For the Year Ended 30 June | \$'000 | \$'000 | \$'000 | \$'000 |
|---|--------------------------|-----------------|--------------------------------|--------------|
| | Operational Risk Reserve | Expense Reserve | Unallocated (Deficit)/ Surplus | Total Equity |
| Opening Balance as at 1 July 2021 | 466 | 531 | 5,969 | 6,966 |
| Operating result | - | (177) | (1,220) | (1,397) |
| Net transfers (to)/from member accounts | 242 | 135 | (1,509) | (1,132) |
| Transfer between reserves | 225 | (225) | - | - |
| Successor Fund Transfer to another fund | (304) | (95) | (31) | (429) |
| Amounts not yet allocated to members | - | - | (2,273) | (2,273) |
| Closing Balance as at 30 June 2022 | 629 | 169 | 936 | 1,734 |
| Opening Balance as at 1 July 2022 | 629 | 169 | 936 | 1,734 |
| Operating result | 125 | 134 | 4,702 | 4,961 |
| Net transfers (to)/from member accounts | 193 | 173 | (1,882) | (1,516) |
| Transfer between reserves | 185 | (185) | - | - |
| Successor Fund Transfer to another fund | - | - | - | - |
| Amounts not yet allocated to members | - | - | 558 | 558 |
| Closing Balance as at 30 June 2023 | 1,132 | 291 | 4,314 | 5,737 |

The Funds financial accounts and audit report can be made available to members on request by phoning Slate Super (Refer Directory on the back page).

| Simple Choice Super & Slate Super (only) movement in Member benefits (as at 30 June) | 2023 (\$'000) | 2022 (\$'000) |
|--|----------------|----------------|
| OPENING NET ASSETS | 253,407 | 81,701 |
| INCREASE (DECREASE) | 247,812 | 171,706 |
| CLOSING NET ASSETS | 501,219 | 253,407 |

Reserves

The Trustee maintains the following reserves in the Fund for the benefit of members. Reserves are held to meet licence conditions, facilitate administration efficiency and are invested for the benefit of members.

Operational Risk Financial Requirement

Trustees of super funds are required to establish and maintain an Operational Risk Financial Reserve (ORFR) which complies with prudential requirements to ensure that the Trustee has sufficient financial resources to provide for member and/or beneficiary losses arising from an operational risk event such as incorrect benefit payments due to human or system error, unit pricing errors and loss of data. The reserve is funded from fees and other costs. Expense recovery fees may include a transfer to the ORFR to meet this regulatory requirement. Please refer to the current PDS, PDS Guides and TMD for more information.

| ORFR in relation to the Grosvenor Pirie Master Superannuation Fund Series 2 | 2023 (\$'000) | 2022 (\$'000) | 2021 (\$'000) |
|---|---------------|---------------|---------------|
| CLOSING BALANCE | 1,132 | 629 | 466 |

Expense reserve

The Trustee maintains an expense reserve (ER) for costs not related to the administration of the fund. The expense reserve complies with prudential requirements and is utilised for the payment of fund fees, costs, and levies. Please refer to the current PDS, and PDS Guides for more information.

| Expense Reserve ORFR in relation to the Grosvenor Pirie Master Superannuation Fund Series 2 | 2023 | 2022 | 2021 |
|---|--------|--------|--------|
| | \$'000 | \$'000 | \$'000 |
| CLOSING BALANCE | 291 | 169 | 531 |

Buy/Sell costs

When a member buys or sells units, this initiates a need for the Trustee to trade the underlying assets that relate to the particular investment transaction. This trading generates transaction costs such as brokerage, settlement costs (including custody costs), government taxes/duties/levies, bank charges and Account transaction charges which are paid from the investment option.

These transaction costs are reflected in a buy/sell spread that is taken into account in the calculation of unit prices. The buy/sell spread is the difference between the entry price and exit price of units and is an additional cost incurred by members each time they invest (including via rollovers from other funds) or withdraw funds. The buy/sell spread is retained within Simple Choice Super and Slate Super and contributes towards the transaction costs associated with Simple Choice Super and Slate Super buying or selling assets in relation to investment transactions initiated by members or relating to the administration of member Accounts.

The spread ensures that those members joining or leaving Simple Choice Super and Slate Super or switching investment options, contribute towards these transaction costs and other investors who are not joining, leaving or switching investments at that particular time are not disadvantaged.

The buy/sell spread for the investment option is made up of the following costs:

| | Buy | Sell |
|--|-------|-------|
| Simple Choice Super and Slate Super - Investment Strategy | | |
| Balanced Growth (closed to new members) | 0.15% | 0.15% |
| Lifestage - Sand | 0.08% | 0.08% |
| Lifestage - Coral | 0.08% | 0.08% |
| Lifestage - Ocean | 0.08% | 0.08% |
| Lifestage - Sky | 0.08% | 0.08% |

Slate

The table below outlines how much of each investment option's transaction costs were recovered via the buy-sell spreads. Net transaction costs are an additional cost to you that was paid from the assets of the Fund:

| | Gross Transaction Costs (p.a.) | Recovered via Buy/ Sell Spread (p.a.) | Net Transaction Cost (p.a.) |
|--|--------------------------------|---------------------------------------|-----------------------------|
| Simple Choice Super and Slate Super - Investment Strategy | | | |
| Balanced Growth (closed to new members) | 0.015% | 0.070% | N/A |
| Lifestage - Sand | 0.060% | 0.060% | 0.00% |
| Lifestage - Coral | 0.112% | 0.112% | 0.00% |
| Lifestage - Ocean | 0.051% | 0.051% | 0.00% |
| Lifestage - Sky | 0.043% | 0.043% | 0.00% |

Allocating net earnings to members' Accounts

As Simple Choice Super and Slate Super are unitised funds, your Account balance is equal to the number of units held multiplied by the applicable unit price(s). The value of each unit held and the unit price for each investment option changes with the value of the underlying assets of the investment option.

The unit pricing process for pooled investment options:

- We calculate the value of the underlying assets of each pooled investment option once every day.
- The value of the underlying assets is divided by the number of units on issue for that investment option.
- This is the unit price that will be applied to your transaction request.

Sometimes unit pricing errors may occur. In the event that a material unit price error is detected and requires rectification, the Trustee may apply a fixed dollar minimum of \$20 when determining whether exited (former) members affected by the error should be compensated.

For Slate Super members, please refer to the current PDS and TMD for more detailed information about the calculation of earnings and for Simple Choice Super members, the PDS you received when you joined. The PDS is available by contacting Slate Super on (02) 8074 1772 or Simple Choice Super on (02) 8556 7576. Refer to your Annual Member Statement for information on the net investment performance for your portfolio of investments.

Member statements

Your Annual Member Statement will be sent to your address by December 2023.

Superannuation surcharge tax

While the superannuation surcharge was abolished with effect from 1 July 2005, the ATO may still issue assessments in relation to previous years. Any amounts deducted by the Fund in relation to the superannuation surcharge tax payable will be reflected in the transaction section of your Annual Member Statement.

Temporary residents

If you have worked in Australia on a temporary visa and you have super in Australia, you can apply after you leave Australia, to have this super paid to you as a departing Australia superannuation payment (DASP).

If you have not claimed your super after you have left Australia for at least 6 months, and your visa has expired or been cancelled, your super will be transferred to the ATO as unclaimed super money. You can subsequently access your benefit from the ATO. The ATO can be contacted on 13 10 20. We are not obliged to notify or give an exit statement to you if we transfer your super to the ATO after you depart Australia.

There are limited conditions of release available to a member who is or was a temporary resident. Accounts in respect of all temporary resident members (irrespective of whether or not they have left Australia) will only be able to be released under the following conditions:

- death or terminal medical condition,
- permanent incapacity,
- departing Australia permanently – applies to temporary residents who apply in writing for release of their benefit,
- Trustee payments to the ATO under the Superannuation (Unclaimed Money and Lost Members) Act 1999, or
- temporary incapacity and/or release authorities under the Income Tax Assessment Act 1997.

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

Conflicts

The Trustee's approach to conflicts management is governed by its Conflicts Management Policy, which sets out the principles and the minimum requirements of the Trustee. Conflicts are identified, recorded and managed on an ongoing basis via the Trustee's registers of relevant duties and interests and via other related Trustee policies, systems and processes. Training and awareness with respect to the Trustee's Conflicts Management Framework is undertaken annually. Further information can be found at diversa.com.au/trustee/governance.

Enquiries and Complaints

The Trustee has set up a formal procedure for dealing with complex enquiries and complaints about your Simple Choice Super and Slate Super Account, including insurance. You can make an initial enquiry by phoning, or you can formally register your complaint by email or by writing to the Complaints Officer: A summary of the enquiries and complaints process will be provided with an acknowledgement at the time of your enquiry or complaint.

Phone: (02) 8556 7576 (Simple Choice Super) or
(02) 8074 1772 (Slate Super)

Write: Complaints Officer
PO Box R1979
Royal Exchange NSW 1225

We aim to resolve all complex enquiries and complaints quickly and fairly. If you are not satisfied with the final decision, or we have not responded within 45 days from the date that your complaint is received, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA), our external dispute resolution (EDR) scheme.

AFCA

AFCA is an EDR scheme that deals with complaints from consumers in the financial system. AFCA replaced the Superannuation Complaints Tribunal. Strict time limits apply for lodging certain complaints with AFCA; otherwise AFCA may not be able to deal with your complaint.

To find out if AFCA can handle your complaint and determine the type of information you need to provide, AFCA contact details are as follows:

Phone: 1800 931 678
Email: info@afca.org.au
Write: Australian Financial Complaints Authority (AFCA)
GPO Box 3
Melbourne VIC 3001

Visit: afca.org.au

Information on request

The following information is available on the Fund website simplechoicesuper.com.au or slatesuper.com.au and/or by contacting Simple Choice Super and Slate Super during office hours:

The Fund's various Product Disclosure Statements (including Insurance Guide and Additional Information Guide which are incorporated by reference, where applicable),

- the Fund's regular investment performance
- recent member newsletters,
- the Fund's Trust Deed and Rules,
- all forms, e.g. the Nomination of Beneficiaries Form,
- information about your benefit entitlements, and
- any other information that may help you understand particular investments of the Fund or its management.

Disclaimer

Reasonable care is taken to ensure that information is correct, but neither the Trustee nor its service providers accept responsibility for any errors, misprints or for anyone acting on this information. The Trustee reserves its right to correct any errors or omissions.

The terms of your membership in the Fund are set out in the Fund's Trust Deed and any applicable insurance policy, PDS and TMD. Should there be any inconsistency between the Trust Deed and other documents, the terms of the Fund's Trust Deed will prevail.

The Trustee reserves the right to amend the terms and conditions of the Fund in accordance with the provisions of the Trust Deed and superannuation law. The Trustee may also withdraw the PDS and close the Fund.

Obtaining further information

Simple Choice Super

Phone: (02) 8556 7576

Email: info@simplechoicesuper.com.au

Website: simplechoicesuper.com.au

Mail: PO Box R1979 Royal Exchange, NSW 1225

Slate Super

Phone: (02) 8074 1772

Email: info@slatesuper.com.au

Website: slatesuper.com.au

Mail: PO Box R1979 Royal Exchange, NSW 1225

Trustee

Diversa Trustees Limited

ABN 49 006 421 638 AFSL No. 235153

RSE Licence No L0000635

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Melbourne VIC 3001

Auditors

DELOITTE TOUCHE TOHMATSU

ABN 74 490 121 060

477 Collins Street

Melbourne VIC 3000

Custodian

Citigroup Pty Limited

ABN 88 004 325 080

Level 21, 2 Park Street

Sydney NSW 2000

Investment Manager

Responsible Investment Services Pty Ltd

ABN 77 630 578 200 AFS Rep. No. 00298392

Corporate Authorised Representative of

Simple Financial Choices ABN 58 629 890 900 AFSL No. 537462

1 Munn Street, Barangaroo, NSW 2000

Insurer

AIA Australia Limited

ABN 79 004 837 861 AFSL 230043

509 St Kilda Road

Melbourne VIC 3004

Sub-Promoter

Simple Financial Choices Pty Ltd

ABN 58 629 890 900 AFSL No. 537462

1 Munn Street, Barangaroo, NSW 2000

Administrator

OneVue Super Services

ABN 74 006 877 872 AFSL No. 246883

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