

Annual report

For the financial year ending 30 June 2017

MyNorth Super and Pension
North® Super and Pension
Summit® Personal Super and Personal Pension
Generations® Personal Super and Personal Pension
ipac iAccess® Personal Super and Allocated Pension

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Welcome

Thank you for choosing AMP to help you achieve your financial goals.

This annual report for the financial year ending 30 June 2017 will help you understand more about your super and investments. You'll find information on fund performance and management as well as recent developments in superannuation.

Keep track of your finances

Keep track of your super

We've made it easy to find your forgotten super by offering AMP customers a free super search which includes details of where they hold super monies. If you're interested in securing a free super report, go to amp.com.au/supersearch.

Manage your finances

The My AMP app is an easy way to keep track of your finances and manage your money anytime and anywhere. You can view your AMP portfolio and add other providers for a complete view of your banking and wealth all in one place. Download the app from the iTunes App Store or go to Google Play for Android.

We're here to help

If you'd like to explore your super or investments, check you have the right insurance cover or would like some help achieving your goals, speak to your financial adviser or call us on 1800 667 841.

® North, Summit and Generations are registered trademarks of NMMT Limited ABN 42 058 835 573 AFS Licence No. 234653

® iAccess is a registered trademark of ipac asset management limited ABN 22 003 257 225 AFS Licence No. 234655

MyNorth Super and Pension (MyNorth), North Super and Pension (North), Summit Personal Super and Personal Pension (Summit), Generations Personal Super and Personal Pension (Generations) and ipac iAccess Personal Super and Allocated Pension (iAccess) are part of the Wealth Personal Superannuation and Pension Fund ABN 92 381 911 598. The Trustee of Wealth Personal Superannuation and Pension Fund is N.M Superannuation Proprietary Limited ABN 31 008 428 322 AFSL No 234654 (N.M.Super). ipac asset management limited (ipac) ABN 22 003 257 225 AFSL No. 234655 is a distributor of iAccess Personal Super and Allocated Pension. The issuer of this document is N.M. Super. N.M. Super is a member of the AMP group.

Super fund information

The Trustee

N.M. Superannuation Proprietary Limited ABN 31 008 428 322, AFS Licence No. 234654 (the Trustee) is a wholly owned subsidiary of AMP Life Limited (AMP Life) effective from 1 January 2017. Prior to this time the Trustee was a wholly owned subsidiary of The National Mutual Life Association of Australasia Limited (NMLA). AMP Life and NMLA are part of the AMP group.

The Trustee is a registrable superannuation entity (RSE) Licensee under the *Superannuation Industry (Supervision) Act 1993 (SIS Act)*, which means that it has satisfied licensing conditions required by the Australian Prudential Regulation Authority (APRA).

The board of directors

The directors of N.M. Superannuation Proprietary Limited are also directors of AMP Superannuation Limited, which is another superannuation trustee and also part of the AMP group. The boards of each trustee maintain a framework for the management of conflicts of interest and conflicts of duties, which is documented in the Conflicts Management Policy. The framework provides for the identification, recording, management and monitoring of conflicts in accordance with applicable laws and regulations.

Rick Allert (AO), Independent Non-Executive Chairman
FCA

Michele Dolin, Independent Non-Executive Director
BA, MA, MBA, FCPA, FAICD, FASFA, SF Fin.

Louise Dudley, Independent Non-Executive Director
BCom, CA, GAICD

Darryl Mackay, Non-Executive Director
BSc, FIAA, MAICD

Brian Salter, Executive Director
BA, LLB (Hons), LLM (Hons), MAICD, F.ASF

More information on the trustee, including profiles of the directors and governing policies, is available at amp.com.au/trusteedetails.

N.M. Superannuation Proprietary Limited – Board meeting attendance 12 months to 30 June 2017

	Held while member	Attended while member
Rick Allert	5	5
Michelle Dolin	5	5
Louise Dudley	5	4
Darryl Mackay	5	5
Brian Salter	5	5

The Fund

The Wealth Personal Superannuation and Pension Fund includes:

- MyNorth Superannuation,
- MyNorth Pension,
- North Personal Superannuation,
- North Personal Pension,
- Summit Personal Superannuation,
- Summit Personal Pension,
- Generations Personal Superannuation,
- Generations Personal Pension,
- iAccess Personal Superannuation and
- iAccess Allocated Pension.

The Fund was established in September 2007 and is a complying superannuation fund under the SIS Act.

The Fund's compliance status

The Trustee has not received any notices or penalties for non-compliance during the reporting period and has formally resolved that The Fund will at all times be administered in strict compliance with all applicable acts and regulations.

The Fund does not maintain any reserves.

The Trustee also maintains an appropriate level of indemnity insurance for protection against losses that may occur as a result of a claim against it for breach of professional duty.

Changes to the Trust Deed

The Trustee may amend the trust deed of a fund following changes to the law or to introduce new features. There was no amendment to the Fund's trust deed this year.

If you have any enquiries about the Fund please contact the North Service Centre on 1800 667 841.

Trustee's investment objectives and strategy

One of the main investment objectives is to achieve investment returns which meet or exceed stated targets for each specific investment option relating to a member's interest in the Fund. The *SIS Act* requires the Trustee to have an investment strategy in place in order to meet the investment objectives, taking into account issues such as investment risk and liquidity. Importantly, the Trustee must be able to demonstrate that the strategy is being followed.

The investment strategy for the Fund is to offer a range of discretionary investments that members can select from in line with their attitudes towards risk. The discretionary investments are made up of managed funds, term deposits and listed securities. An investment committee reviews and approves all investment options offered through the Fund.

The Trustee does not invest directly in derivatives for the Fund. However, underlying fund managers may do so. Derivatives are securities that derive their value from other assets or indices. Most derivatives are characterised by high leverage, which means large profits and losses can occur due to movements in the underlying asset's price or index value. Examples of derivatives include futures, options and swaps.

Members are required to direct the Trustee to invest their total assets into the managed funds, term deposits and/or listed securities they select from the MyNorth, North, Summit or iAccess investment options documents, or the Generations investment options product disclosure statement (PDS), available from northonline.com.au.

The specific investment objectives and strategies for each investment option offered by the Fund is documented in the underlying fund manager's product disclosure statement for the managed funds or in the direct security company disclosure document for each direct security.

Investment managers

The Fund offers a wide range of investment options for each product, managed by the following investment managers:

Investment managers	MyNorth	North	Summit	Generations	iAccess
Aberdeen Asset Management Limited	✓	✓	✓	✓	✓
Acadian Asset Management LLC	-	✓	✓	-	✓
Acorn Capital Limited	✓	✓	-	-	-
Advance Asset Management Limited	✓	✓	-	-	-
Allan Gray Australia Proprietary Limited	✓	✓	✓	-	✓
AllianceBernstein Australia Limited	✓	✓	✓	-	✓
Alphinity Investment Management Proprietary Limited	✓	✓	✓	-	✓
AMP Capital Investors Limited	✓	✓	✓	✓	✓
AMP Life Limited	✓	✓	-	-	-
AMP National Mutual Funds Management Limited	-	✓	✓	✓	✓
Antares Capital Partners Limited	✓	✓	✓	✓	✓
APN Funds Management Limited	✓	✓	✓	-	✓
Armytage Private Limited	✓	✓	-	-	-
Arnhem Investment Management Proprietary Limited	✓	✓	-	-	-
Arrowstreet Capital Limited Partnership	✓	✓	✓	-	✓
Aspect Capital Limited	✓	✓	-	-	-
Aurora Funds Management Limited	✓	✓	-	-	-
Ausbil Investment Management Limited	✓	✓	✓	-	✓
Australian Ethical Investment Limited	✓	✓	✓	-	✓
Australian Unity Funds Management Limited	✓	✓	-	-	-
Bennelong Funds Management Limited	✓	✓	✓	-	✓
Bentham Asset Management Proprietary Limited	✓	✓	✓	-	✓
BlackRock Asset Management Australia Limited	✓	✓	✓	✓	✓
BlackRock Investment Management (Australia) Limited	✓	✓	✓	✓	✓
Bridgewater Associates LP	-	-	✓	-	✓
BT Investment Management Limited	✓	✓	✓	-	✓

Investment managers	MyNorth	North	Summit	Generations	iAccess
CBRE Clarion Securities, LLC	-	✓	-	-	-
Certitude Global Investments Limited	-	✓	✓	-	✓
Challenger Financial Services Group	✓	✓	-	-	-
Challenger Managed Inv. (Intl) Proprietary Limited	✓	✓	✓	-	✓
Challenger Retirement and Investment Services Limited	✓	✓	-	-	-
Charter Hall Holdings Proprietary Limited	✓	✓	✓	-	✓
Colonial First State Investments Limited	✓	✓	✓	✓	✓
Dalton Nicol Reid	✓	-	-	-	-
Deutsche Australia Limited	-	✓	✓	-	✓
Dimensional Fund Advisor Australia Limited	✓	✓	-	-	-
Eley Griffiths Group Proprietary Limited	✓	✓	✓	-	✓
Ellerston Capital Limited	-	✓	-	-	-
Epoch Investment Partners, Inc.	✓	✓	-	-	-
Fairview Equity Partners Proprietary Limited	✓	✓	✓	-	✓
Fidante Partners Limited	-	-	✓	-	✓
Fidelity Investments Australia Limited	✓	✓	✓	-	✓
FIL Investment Management Australia Limited	-	✓	✓	-	✓
Five Oceans Asset Management Limited	✓	✓	✓	-	✓
Franklin Templeton Investments Australia Limited	✓	✓	✓	-	-
Generation Investment Management LLP	-	-	✓	-	✓
Global Thematic Partners, LLC	-	✓	✓	-	✓
GMO Australia Limited	✓	✓	✓	-	✓
Goldman Sachs Australia Managed Funds Limited	✓	✓	✓	-	✓
Grant Samuel Fund Services Limited	✓	✓	✓	-	✓
Greencape Capital Proprietary Limited	✓	✓	-	-	-
Henderson	✓	-	-	-	-
Hunter Hall Investment Management Limited	✓	✓	✓	-	✓
Hyperion Asset Management Limited	✓	✓	-	-	-
Independent Franchise Partners, LLP	-	✓	✓	-	✓
Integrity Investment Management Australia Limited	✓	✓	✓	-	✓
Invesco Asset Management Australia Limited	✓	✓	✓	-	✓
Investors Mutual Limited	✓	✓	✓	-	✓

Investment managers	MyNorth	North	Summit	Generations	iAccess
ipac asset management limited	✓	✓	✓	-	✓
JP Morgan Asset Management (Australia) Limited	✓	✓	✓	-	✓
K2 Advisors LLC	✓	✓	✓	-	✓
K2 Asset Management Limited	✓	✓	-	-	-
Kapstream Capital Proprietary Limited	✓	✓	✓	-	✓
Karara Capital Limited	✓	✓	-	-	-
Kinetic Investment Partners Limited	✓	✓	-	-	-
LaSalle Investment Management (Securities), L.P.	✓	✓	✓	-	✓
Lazard Asset Management Pacific Co.	✓	✓	✓	-	✓
Legg Mason Asset Management Australia Limited	✓	✓	✓	✓	✓
Lighthouse Investment Partners, LLC	-	✓	✓	-	✓
Macquarie Investment Management Limited	✓	✓	✓	-	✓
Magellan Asset Management Limited	✓	✓	✓	-	✓
Man Investments Australia Limited	✓	✓	✓	-	✓
Maple-Brown Abbott Limited	✓	✓	✓	-	✓
Merlon Capital Partners Proprietary Limited	✓	✓	✓	-	✓
MFS Investment Management	✓	✓	✓	-	✓
MLC Investments Limited	✓	✓	✓	-	✓
Nikko Asset Management Australia Limited	✓	✓	✓	-	✓
NovaPort Capital Proprietary Limited	✓	✓	-	-	-
OnePath Funds Management Limited	✓	✓	✓	-	✓
Orion Asset Management Limited	-	✓	✓	-	✓
Paradice Investment Management Pty Ltd	✓	-	-	-	-
Pengana Capital Limited	-	✓	✓	-	✓
Perennial Investment Partners Limited	✓	✓	✓	-	✓
Perennial Real Estate Investment Proprietary Limited	✓	✓	✓	-	✓
Perennial Value Management Limited	✓	✓	✓	-	✓
Perpetual Investment Management Limited	✓	✓	✓	✓	✓
Phoenix Portfolios Proprietary Limited	✓	✓	-	-	-
PIMCO Australia Proprietary Limited	✓	✓	✓	✓	✓
Platinum Asset Management	✓	✓	✓	✓	✓
Plato Asset Management Limited	✓	✓	-	-	-

Investment managers	MyNorth	North	Summit	Generations	iAccess
Plato Investment Management	✓	-	✓	-	✓
PM Capital Limited	✓	✓	✓	-	✓
Principal Global Investors (AUS) Limited	✓	✓	-	-	-
Putnam Investments	-	✓	-	-	-
RARE Infrastructure Limited	✓	✓	✓	-	✓
Resolution Capital Limited	✓	-	-	-	-
Robeco Hong Kong Limited	✓	-	-	-	-
Schroder Investment Management Australia	✓	✓	✓	✓	✓
Select Asset Management Limited	-	✓	-	-	-
SG Hiscock & Company Limited	✓	✓	✓	-	✓
Solaris Investment Management Limited	✓	✓	✓	-	✓
State Street	✓	-	-	-	-
T. Rowe Price International Limited	✓	✓	-	-	-
UBS Global Asset Management (Australia) Limited	✓	✓	✓	✓	✓
Value Partners Group Limited	-	✓	✓	-	✓
Vanguard Investments Australia Limited	✓	✓	✓	✓	✓
Walter Scott & Partners Limited	✓	✓	✓	-	✓
Winton Capital Management Limited	✓	✓	✓	-	✓
Zurich Investment Management Limited	✓	✓	✓	-	✓

MyNorth, North, Summit and iAccess offer a range of direct securities including direct equities in the S&P/ASX 300, hybrid securities, exchange traded funds, exchange traded commodities, listed property trusts, listed investment companies, listed investment trusts and fixed interest securities. Generations offers a range of multi-manager and single manager investment options. For more information, please refer to the MyNorth, North, Summit or iAccess investment options documents, or the Generations investment options PDS.

Asset holdings greater than 5%

At 30 June 2017, the following investments were greater than 5% of the Fund's assets.

Wealth Personal Superannuation and Pension Fund	% of Fund
Cash Account	6.71
North Index Balanced	5.42

Relationship between the Trustee and some service providers

The Trustee invests in a wide range of investment options. AMP Capital Investors Limited ABN 59 001 777 591 AFS Licence No.232497 (AMPCI), AMP Capital Funds Management Limited ABN 15 159 557 721 AFS Licence No. 426455 (AMPCFM), ipac asset management limited ABN 22 003 257 225 AFS Licence No.234655 (ipac) and National Mutual Funds Management Limited ABN 32 006 787 720 AFS Licence No. 234652 (NMFM) are members of the AMP group and are also the responsible entities for a number of these investment options.

AMPCFM, ipac and NMFM are responsible for the selection and ongoing monitoring of fund managers for investments operated by them, and are entitled to change fund managers or asset allocations at any time without notice to members invested in the portfolios, including the Wholesale Cash Fund. For a full list of these investment options, refer to the MyNorth, North, Summit or iAccess investment options documents, or the Generations investment options PDS available on northonline.com.au.

Where the Trustee invests money of the Fund, it must deal with the other party to the transaction at arm's length or on arm's length terms.

The Trustee has appointed NMMT Limited (NMMT) ABN 42 058 835 573 AFS Licence No. 234653 as agent for the provision of services to the Fund. This includes selecting the range of investment options made available, managing the cash account and acting as custodian to hold all assets in the Fund. The Trustee reserves the right to change the custodian without prior notice to members. AMPCFM, ipac, NMF, AMP Life and NMMT may receive a fee for the services they provide.

Net earnings—rate of return

Earnings on investments are reflected by a change in capital value plus any distributions, dividends and interest. Income distributions are generally paid into the cash account.

The wide choice of individual investments available to members means that earnings and performance vary from member to member. Please refer to your annual member statement for information about the earnings and performance of your particular investments.

For further information please contact your financial adviser.

Liquidity risk

Liquidity risk is the risk that your investment option can't be bought, sold, cashed, transferred or rolled over as quickly as you wish. Different investment options have different transaction processing times and thus different levels of liquidity risk.

Investment transactions, withdrawals, rollovers and transfers from your superannuation account are normally processed within 30 days of us receiving all the necessary information. Some investments, referred to as illiquid assets, require a longer period to be redeemed. This longer redemption period is imposed by the underlying investment manager. Account fees will continue to be charged while invested in illiquid investment options.

Illiquid investment options are identified in the MyNorth, North, Summit or iAccess investment options documents, or the Generations investment options PDS, available from nortonline.com.au. More information is available in the PDS for your chosen investment options.

Illiquid investments

In certain circumstances, an underlying investment options may become illiquid under the *Corporations Act 2001*. If an underlying investment option becomes illiquid, withdrawals will not be permitted unless the investment option's responsible entity makes a withdrawal offer. The responsible entity is not obliged to make such an offer.

You'll be informed if an offer is made. You may direct us to accept the offer for part or all of your investment in the investment option. Where withdrawal requests exceed the amount available for release from the investment option, the amount released will be distributed proportionally.

Over the past five years a number of fund managers have made changes to their conditions for processing applications and redemptions. You'll be informed of any changes that affect you.

Compensation

There may be circumstances in which the Trustee needs to pay compensation to members. There are four key principles that guide the Trustee's payment of compensation to current and former members:

- the Trustee should not benefit
- other members do not bear the cost of compensation
- compensation is paid to members in a manner that minimises the cost and inconvenience to those members receiving the compensation, and
- communication should be provided to affected members in all circumstances where the member would reasonably expect to be notified.

The Trustee may decide not to pay compensation to current or former members where it considers the individual compensation amounts small.

Voting

Voting policy – super and pension

NMMT has a formal voting policy. This policy sets out the principles that NMMT applies when exercising its voting entitlements on behalf of super and pension members. NMMT recognises that voting is a valuable right which should be actively managed and exercised in the best interests of all members.

A copy of the NMMT voting policy is available to members on request by writing to the Trustee at:

N.M. Superannuation Proprietary Limited
GPO Box 2915
MELBOURNE VIC 3001

From time to time NMMT as agent of the Trustee may vote on behalf of super and pension members in respect of corporate actions related to custodial holdings of managed investment schemes.

When does NMMT vote on behalf of super and pension members?

NMMT generally votes where a resolution is deemed to have the potential to materially affect the nature and outcome of the investment.

A summary of resolutions NMMT voted on for members is available at amp.com.au/trusteedocuments.

Super news

2016 Federal Budget measures

The 2016 Federal Budget contained a number of superannuation reforms with a start date of 1 July 2017. The reforms were covered in the 2016 and 2017 Annual report. The reforms are summarised as follows:

Reforms commencing on 1 July 2017:

- **Non-concessional contributions:** the non-concessional contributions cap is reduced to \$100,000 per annum and no cap is available in a year where your total superannuation balance, on 30 June in the immediate prior financial year, is \$1.6 million or more. This reform replaces the proposed lifetime cap on non-concessional contributions that was initially announced in the 2016 Federal Budget.
- **Concessional contributions:** the concessional contributions cap is reduced to \$25,000 per annum.
- **Transition to retirement:** earnings on assets backing transition to retirement income streams will now be taxable, in the same way that earnings from investments in the super accumulation phase are.
- **Tax deductions for personal contributions:** providing you meet the work test in relation to personal contributions, you will now be able to claim a tax deduction for them. The test requiring that an individual has to earn less than 10% of their income from employment related activities to qualify to claim a tax deduction for a personal super contribution has been removed.
- **Transfer balance cap:** Introduction of the Transfer Balance cap which limits the total amount of superannuation benefits (both accumulation and transition to retirement) that you can transfer into a retirement phase pension or income stream, where investment earnings are tax exempt. The cap is \$1.6 million for the 2017/18 financial year and is indexed.

- **Spouse contributions:** Extension of eligibility for the spouse contribution tax offset, whereby the maximum spouse contribution tax offset, of up to \$540, is available to the contributor when the receiving spouse's income is less than \$37,000 (up from \$10,800).
- **Division 293 tax:** The threshold for when Division 293 applies (the additional 15% contributions tax on high income earners) has been reduced to \$250,000.
- **Death benefits:** The anti-detriment benefit deduction on death benefit payments has been removed.
- **Death benefits:** For eligible beneficiaries, their superannuation death benefit income stream will now be able to be rolled-over to another product provider.
- **Low Income Super Tax Offset:** A Low Income Super Tax Offset has been introduced, which will provide a payment of up to \$500 to your superannuation account based on the tax paid on your concessional contributions if your adjusted taxable income is less than \$37,000.

Reforms commencing on 1 July 2018:

- **Concessional contributions:** Ability to carry forward the portion of the concessional contributions cap not used in a year, for up to five years. In the year you make a concessional contribution that contains a carry forward unused cap portion, your total superannuation balance, on 30 June of the previous financial year, must be less than \$500,000.

Reforms from the 2016 Federal Budget that did not progress:

The following reforms were announced in the 2016 Federal budget and included in the 2016 Annual report but have subsequently not been proceeded with:

- Lifetime cap for non-concessional superannuation contributions
- Removal of work test to contribute to superannuation.

2017 Federal Budget measures

The 2017 Federal Budget also included some superannuation related measures. These are as follows:

Housing Package - First home super saver scheme – commencing 1 July 2017

From 1 July 2017, individuals can make voluntary contributions (including salary sacrifice, personal tax deductible and non-concessional contributions) of up to \$15,000 per year and \$30,000 in total, to their superannuation account to purchase a first home. These contributions, along with deemed earnings, can be withdrawn for a first home deposit from 1 July 2018. Withdrawals of concessional contributions and deemed earnings will be taxed at marginal tax rates less a 30 per cent offset. Non-concessional contribution amounts will not be taxed when withdrawn. Voluntary contributions under this scheme must be made within existing superannuation caps.

Housing Package - Contributing the proceeds of downsizing to superannuation – commencing 1 July 2018

From 1 July 2018, people aged 65 and over will be able to make a non-concessional contribution into their superannuation of up to \$300,000 from the proceeds of selling their home. The existing voluntary contribution rules for people aged 65 and older (work test for 65-74 year olds, no contributions for those aged 75 and over) and restrictions on non-concessional contributions for people with balances above \$1.6 million will not apply to contributions made under this new special downsizing cap. This measure will apply to a principal place of residence held for a minimum of 10 years. Both members of a couple will be able to take advantage of this measure for the same home, meaning \$600,000 per couple can be contributed to superannuation through the downsizing cap. These new contributions will be in addition to any other voluntary contributions that people are able to make under the existing contribution rules and concessional and non-concessional caps. Though once the contribution is made, only individuals with remaining transfer balance cap space available can convert their contributions into a retirement phase pension account (where earnings are tax-exempt).

Increase in the Medicare levy and Medicare levy low income thresholds – commencing 1 July 2019

The government will increase the Medicare levy by half a percentage point from 2.0 to 2.5 per cent of taxable income from 1 July 2019.

Low income earners will continue to receive relief from the Medicare levy through the low income thresholds for singles, families, seniors and pensioners, however these will be increased from the 2016/17 income year.

Other Government legislated changes

Superannuation Guarantee (SG) rate – no change

As communicated in 2014, the SG rate increased from 9.25% to 9.5% from 1 July 2014. The rate will remain at this level until 30 June 2021, and will then increase by 0.5% each year until it reaches 12% from 1 July 2025.

Super thresholds for the 2017/2018 financial year

The following super and taxation threshold amounts apply during the 2017/2018 financial year.

Threshold	From 1 July 2017
Standard concessional contributions cap (per annum)	\$25,000
Non-concessional contributions cap:	
– Standard (per annum) ⁽ⁱ⁾	\$100,000
– Bring forward (over three years) before age 65 ⁽ⁱⁱ⁾	\$300,000
SG maximum contribution base (per quarter)	\$52,760
Government co-contribution⁽ⁱⁱⁱ⁾ (per annum)	
– Lower income threshold	\$36,813
– Higher income threshold	\$51,813
Tax free part of bona fide redundancy and approved early retirement scheme payments (per payment)	
– Base limit	\$10,155
– Plus for each completed year of service	\$5,078
Low rate cap amount (lifetime limit) (previously known as post June 1983 low tax threshold) Applies to the taxable component of taxed super fund benefits for members aged 55-59	\$200,000
Untaxed plan cap amount Applies to the taxable component of untaxed super fund benefits	\$1,445,000
Employment termination payment cap (ETP) (per annum)	\$200,000
Capital gains tax (CGT) cap amount (lifetime limit)	\$1,445,000
Transfer balance caps	\$1,600,000
Maximum adjusted taxable income for the full Government Low Income super tax offset	\$37,000

(i) The cap is nil for members with a total superannuation balance of over \$1.6 million (at 30 June of the year prior to making the contribution).

(ii) Transitional rules apply for the 2017/18 and 2018/19 years.

(iii) The maximum entitlement remains at \$500 and applies where at least \$1,000 non-concessional contributions have been made in the financial year and the person does not exceed the lower income threshold.

Product news

Reduced fees on the North Platform

In May 2017, we simplified the way we charge our fees to allow for more competitive and flexible pricing on the North platform, to give members better value by:

- 1. Reducing the cash account management cost**
 - The management cost for MyNorth, North, Summit and Generations Super and Pension products has been reduced from 0.58% pa to zero and for iAccess Personal Super and Allocated Pension it has been reduced from 0.95% to 0.37% pa.
- 2. Reducing the MyNorth cash account administration fee to zero**
 - The administration fee for MyNorth Super and Pension has been reduced to zero, savings members up to 0.30% per annum. When combining the reductions made to the management cost and to the administration fee, MyNorth Super and Pension members are no longer being charged any fees for investing in the cash account.
- 3. Removing the Core administration fee of 0.10% pa from MyNorth Super and Pension**
 - Members who invest in investment options on the Core investment menu and who also invest in investment options on the Select investment menu and/or Choice investment menu will no longer pay the administration fee rate of 0.10 per cent per annum applicable on the Core investment options they hold. The Core administration fee rate has been reduced to Zero per cent per annum for these members.

Refer to the relevant MyNorth Super and Pension PDS available on North Online for further information.

Member communication improvements

In May 2017, improvements were made to member communications. Members with a valid email and/or mobile number will no longer receive the following letters via post:

- Annual statement (Super/Pension)
- Change of address confirmation (to new address).

Instead, members will receive an email and/or an SMS alert directing them to their online filing cabinet to view this information.

Members who have elected to receive communications via post will continue receiving communications via post in addition to receiving them electronically.

Lower administration fee caps for MyNorth products

In August 2017, we lowered the individual member administration fee caps for all MyNorth products from \$4,500 per annum to \$3,500 per annum.

Prior to this date, the MyNorth administration fee was capped at \$4,500 per annum and it combined a members super and pension accounts. A separate administration fee cap of \$4,500 per annum applied to investment accounts.

In August 2017, the administration fee cap was lowered to \$3,500 per annum across a member's MyNorth Super, Pension and Investment accounts, resulting in reduced administration fees across MyNorth products.

Family Fee Capping on MyNorth Products

In August 2017, we introduced a new family fee administration fee cap of \$4,500 per annum, which applies only to family members of MyNorth Super, Pension and Investment accounts.

The grouping of member's accounts reduces the administration fee paid by each family member. When the accounts are grouped, member's balances are combined to calculate the total portfolio value, which is applied to all accounts and will not exceed \$4,500 per annum.

Refer to the MyNorth Super and Pension PDS available on North Online for further information.

Changes to fee and cost disclosures

New ASIC regulations across the superannuation industry will change fee and cost disclosures for superannuation products over the year. The new rules are intended to promote greater transparency and comparability of fee and cost information. It's important to note that these changes don't mean you're being charged any additional or increased fees and costs, they simply change the way that fees and costs are displayed, and include indirect costs that were previously not disclosed.

There is no change to investment option objectives as a result of the regulations, and investment option returns will not be affected. Product Disclosure Statements (PDSs) have been updated effective 30 September 2017 and annual statements and exit statements will be updated by 1 December 2017.

North® Registered trademark

(Applicable only to North Super and Pension)

On 30 September 2017, the North® Registered trademark of The National Mutual Life Association of Australasia ABN 72 004 020 437 AFS Licence No. 234649 was replaced with North® Registered trademark of NMMT Limited ABN 42 058 835 573 AFS Licence No. 234653.

Refer to the relevant PDSs available on North Online for further information.

Transfer of NMLA life insurance business to AMP Life

On 1 January 2017, AMP transferred the Australian and New Zealand life insurance business of The National Mutual Life Association of Australasia Limited (NMLA) to AMP Life Limited (AMP Life) ABN 84 079 300 379 AFS Licence No. 233671 under an arrangement known as a Scheme.

The policy providing your insurance cover is now simply treated as if it had been issued and administered by AMP Life rather than NMLA. Other than a change to the insurer of the policy, there are no changes to the policy's terms and conditions, or how it's administered.

Non-lapsing binding death benefit nomination

To assist you with your estate planning you can now nominate your beneficiary or beneficiaries to your account to be non-lapsing binding death benefit nominations. This is a death benefit nomination that does not have an expiry date. The Trustee is bound to pay your benefit to the person(s) you have nominated as long as your nomination is valid. Unless an amendment or revocation is made, a non-lapsing binding nomination will not expire.

Please speak to your financial adviser if this is the best method for your particular circumstances.

Change to trade minimums on listed securities

(Applicable only to MyNorth, North, Summit and iAccess)

On 10 December 2016, the trade minimum for listed securities decreased from \$1,000 to \$650 per trade.

If you're currently invested or had opted into trading listed securities prior to 10 December 2016, the default trade minimum will remain at \$1,000 per trade, unless you choose to reduce the minimum by updating your account's investment settings on North Online.

Introducing the option to pay a percentage-based fee for financial advice on listed securities

(Applicable only to MyNorth, North and Summit)

As of 10 December 2016, you have the option to agree with your financial adviser to pay a percentage-based fee or dollar-based fee for financial advice on listed security trades.

Securities must satisfy the Trustee's approval criteria

With the expanded number of listed investment companies (LICs), listed investment trusts (LITs), exchange traded funds (ETFs), exchange traded managed funds and listed bonds now on the market, the Trustee now has access to a lot more types of securities to choose from and make available on its investment menu than in the past. To ensure the Trustee meets its obligations under its investment policies and under superannuation law, these securities (for example LICs and LITs) must satisfy the Trustee's approval criteria before they can be offered on its products' investment menus.

Please speak to your financial adviser for a list of the investment options available to you.

Investment options

To provide a diverse range of investment possibilities, we have expanded the range of investment options available to members. As part of our commitment to keep you informed, we'll communicate material changes on any of the underlying investments.

For more information please refer to the relevant investment options document available from northonline.com.au.

Stronger Super fee removed

In July 2013, the Federal Government introduced Stronger Super, a program of changes designed to streamline and strengthen Australia's superannuation system. This included the introduction of a levy imposed on the trustee to help fund the changes. To cover the cost of the levy and the costs associated with our implementation of the changes, a Stronger Super fee was applied to your account.

We're pleased to confirm that we've removed the Stronger Super fee from your account. This fee was removed effective;

- 1 February 2017 for MyNorth (excluding clients who transferred from Synergy or First Quest), North, Summit, Generations and iAccess accounts; and
- 30 June 2017 for former Synergy and First Quest members now holding MyNorth account(s).

Insurance update

As a result of market feedback, legislation and legal obligations in the 12 months prior to June 2017, a number of enhancements and changes have been made to AMP's insurance offer, AMP Elevate insurance.

Life buy-back

Where TPD Insurance is purchased as an option attached to a Life Insurance Plan, we will now provide the ability to 'buy back' the Life Insurance cover after a TPD claim, for no extra cost and without requesting additional medical information, as an inbuilt feature.

Life Insurance Code of Practice

The life insurance industry has committed to maintaining a mandatory level of customer service standards. We have adopted the Life Insurance Code of Practice (Code) which reflects our commitment to high quality customer service and it's designed to protect our customer. The Code sets out key commitments and obligations to customers on standards of practice, such as timeframes to respond to claims, complaints, and requests for information from customers.

The Code covers many aspects of a customer's relationship with their insurer, from buying insurance to making a claim, to providing options to those experiencing financial hardship or requiring additional support.

Repricing

Throughout the previous 12 months the insurance business undertook a review of their Life, Total and Permanent Disability and Income Protection premium rates for existing and new policies. Effective 29 April 2017, a portion of members holding these benefits either saw an increase or decrease to their base premium rates which will come into effect at their next policy anniversary.

Medical definition changes

TPD insurance pays a lump sum where the insured person becomes totally and permanently disabled. We waive the 3 month qualifying period if the insured person is diagnosed with a specified condition. This is known as the Day 1 TPD Benefit.

Effective 19 November 2016, TPD insurance plans and options will benefit from updated medical definitions under the Day 1 TPD benefit for:

- Alzheimer's disease and other dementias
- Multiple sclerosis
- Severe rheumatoid arthritis

The updated definitions are set out below.

Alzheimer's disease and other dementias

Alzheimer's disease and other dementias means an unequivocal clinical diagnosis of dementia (including

Alzheimer's disease) by an appropriate medical specialist resulting in significant cognitive impairment.

Significant cognitive impairment means a deterioration in the Life Insured's Mini-Mental State Examination scores to 24 or less.

Multiple sclerosis

Multiple sclerosis means the unequivocal diagnosis of multiple sclerosis confirmed by a consultant neurologist where there has been more than one episode of neurological deficit with persisting neurological abnormalities.

Severe rheumatoid arthritis

Severe rheumatoid arthritis means the unequivocal diagnosis of severe rheumatoid arthritis by a rheumatologist. To fulfil the criteria for severe rheumatoid arthritis there must be:

- diagnosis of Rheumatoid Arthritis as specified by the 2010 Rheumatoid Arthritis Classification Criteria¹, and
- unresponsive to treatment for at least 9 months with disease-modifying antirheumatic drugs and biologic agents, and
- symptoms and signs of persistent inflammation (swelling and tenderness) of multiple joints, and
- due to rheumatoid arthritis, the insured must permanently satisfy two of the following criteria:
 - **Dexterity** – The inability to use hands and fingers to pick up and manipulate small objects such as cutlery, including being unable to write using a pen or pencil.
 - **Lifting** – The inability to lift, carry or otherwise move everyday objects by hand. Everyday objects include a kettle of water, a bag of shopping, an overnight bag or briefcase.
 - **Bending** – The inability to bend or kneel to pick up something from the floor and stand up again and the inability to get into and out of a standard car.
 - **Mobility** – The inability to walk a distance of 200 metres on flat ground, with or without the aid of a walking stick and without having to rest or experiencing severe discomfort.

Termination of investment options

The following investment options were terminated. The Trustee deemed it was in the members' best interest to terminate these investment options, as they did not satisfy our minimum criteria.

Termination date	APIR Code	Investment option	Product
19 October 2016	AFM0005AU	Aurora Fortitude Absolute Return Fund	Applicable to MyNorth and North members only
19 October 2016	AUS0108AU	Acorn Capital MicroCap Fund	Applicable to MyNorth and North members only
19 October 2016	CRE0005AU	Clime Wholesale Australian Value Fund	Applicable to North members only
19 October 2016	ITG0001AU	Integrity Australian Share Fund	Applicable to North, Summit and iAccess members only
11 April 2017	PPL0107AU	Antares Small Companies Fund	Applicable to MyNorth and North members only

AMP Capital Mortgage Funds - wind up

On 7 November 2016 National Mutual Funds Management (NMF), the responsible entity for the AMP Capital mortgage funds listed below settled and wound up after a number of years of being suspended from trading.

APIR Code	Investment option	Product
NML0316AU	AMP Capital (W) Australian Monthly Income Fund	Applicable to Summit, iAccess and North members only
NML0257AU	AMP Capital (W) Australian Income Fund	Applicable to Summit and iAccess members only
NML0010AU	AMP Capital Australian Income Fund	Applicable to Summit members only
NML0570AU	AMP Capital Australian Monthly Income Fund	Applicable to Generations members only

Consolidation of multiple accounts

Each year, the Trustee will identify and review members who have multiple accounts within the Fund. Where the Trustee reasonably determines that it is in the best interest of the member, the member's accounts will be consolidated and the member will receive an exit statement. Members may be given the opportunity to choose not to consolidate their accounts.

1 American College of Rheumatology and European League Against Rheumatism.

Other information

Payment of benefits to an eligible rollover fund (ERF)

An ERF is a special type of super fund that is able to accept benefits transferred from another super fund without a member's consent. Typically, an ERF has a conservative investment strategy, and the administration fees charged by the fund can't exceed the fund's earnings.

There are a number of circumstances in which your benefit in your super account might be transferred to an ERF. One situation is if your account balance falls below the minimum account balance required. We will issue you with an exit statement, and the ERF will write advising you that it has received your benefit and the options available to you.

We may also pay your benefit to an ERF if we lose contact with you and, after a reasonable time, are unable to locate you.

The Trustee has selected the following ERF:

AMP Eligible Rollover Fund

Contact details for AMP Eligible Rollover Fund are:

AMP Customer Service
PO Box 300
PARRAMATTA NSW 2124
Phone: 131 267
Fax: 1300 301 267

Dispute resolution procedure

The Trustee has established a procedure to deal with member complaints. All complaints will be handled in a courteous and confidential manner and will be properly considered and dealt with by the Fund's complaints officer within 90 days of receipt.

To make a complaint, please contact the North Service Centre on 1800 667 841 or write to:

The Manager
North Service Centre
GPO Box 2915
MELBOURNE VIC 3001

If your complaint has not been resolved within 90 days, or if you are not satisfied with the Trustee's response to your complaint, you may contact the Superannuation Complaints Tribunal (SCT). It is an independent body set up by the government to assist members, or their beneficiaries, to resolve superannuation related complaints.

The SCT can be contacted on 1300 884 114 or by writing to:

Superannuation Complaints Tribunal
Locked Bag 3060
MELBOURNE VIC 3001
Website: sct.gov.au
Email: info@sct.gov.au

Time limits apply to certain complaints to the SCT. If you have a complaint, you should contact the SCT immediately to find out if a time limit applies.

Abridged financial information

Your annual member statement provides you with information on your benefit.

If you require another copy of your statement, please contact the North Service Centre on 1800 667 841 or log into northonline.com.au.

The following statements have been extracted from the audited accounts of the Fund. A copy of the complete financial statements and auditor's report may be obtained by contacting the North Service Centre.

Statement of financial position as at 30 June 2017

	2017 \$'000	2016 \$'000
Assets		
Investments		
Investments in equities	2,178,342	1,862,753
Term deposits	1,099,291	1,087,948
Investments in managed schemes	29,181,769	24,766,009
Other investments	508	1,031
Total investments	32,459,910	27,717,741
Other assets		
Cash and cash equivalents	2,328,983	1,825,448
Receivables	5,766	4,463
Guarantee income receivable	6	47
Other financial assets	75,422	114,872
Total other assets	2,410,177	1,944,830
Total assets	34,870,087	29,662,571
Liabilities		
Tax liabilities		
Current tax liability	19,296	29,117
Deferred tax liability	65,162	3,364
Total tax liabilities	84,458	32,481
Accounts payable	45,177	35,550
Total liabilities excluding member benefits	129,635	68,031
Net assets available for member benefits	34,740,452	29,594,540
Member benefits		
Allocated to members	34,740,452	29,594,540
Total member liabilities	34,740,452	29,594,540
Total net assets	-	-
Total equity	-	-

Income statement for the year ended 30 June 2017

	2017 \$'000	2016 \$'000
Superannuation activities		
Dividends	69,547	61,898
Interest	73,503	77,289
Distributions from managed investment schemes	1,643,297	1,210,021
Changes in asset measured at fair value	999,042	(832,503)
Guarantee income	190	496
Net (losses) / gains on other financial assets	(39,450)	46,226
Other income	1,663	3,327
Total superannuation activities income	2,747,792	566,754
General administration expenses		
Operating expenses	(341,507)	(301,366)
Guarantee expenses	(26,202)	(29,960)
Total expenses	(367,709)	(327,326)
Net result from superannuation activities	2,380,083	239,428
Profit from operating activities	2,380,083	239,428
Less: Net benefits allocated to members' accounts	(2,445,519)	(432,604)
Profit / (loss) before income tax	(65,436)	(193,176)
Income tax benefit	65,436	193,176
Net profit / (loss)	-	-

Statement of changes in member benefits for the year ended 30 June 2017

	2017 \$'000	2016 \$'000
Opening balance of member benefits	29,594,540	26,441,878
Employer contributions	561,972	504,927
Member contributions	1,957,991	1,245,721
Transfers from other superannuation plans	4,085,683	3,909,833
Income tax on contributions	(81,821)	(121,231)
Superannuation contributions refund / (surcharge)	9	(10)
Net after tax contributions	6,523,834	5,539,240
Benefits to members / beneficiaries	(2,470,915)	(1,803,294)
Transfer to other superannuation plans	(1,265,410)	(923,836)
Insurance proceeds received from insurer	44,418	28,664
Insurance premiums charged to member's accounts	(131,534)	(120,716)
Net benefit allocated to members' accounts, comprising:		
Net investment income	2,747,792	759,930
Administration fees	(302,273)	(327,326)
Closing balance of member benefits	34,740,452	29,594,540

Statement of cash flows for the year ended 30 June 2017

	2017 \$'000	2016 \$'000
Cash flows from operating activities		
Dividends and distributions from managed investment schemes received	1,489,985	1,113,389
Interest received	71,751	75,824
Guarantee income received	230	455
Operating expenses paid	(336,574)	(298,435)
Guarantee expenses paid	(26,165)	(26,009)
Other income received	1,792	3,325
Income tax refund	110,397	125,462
Net cash inflows from operating activities	1,311,416	994,011
Cash flows from investing activities		
Proceeds from sale of investments	6,044,714	4,550,288
Payments for purchase of investments	(9,457,811)	(7,525,728)
Net cash outflows from investing activities	(3,413,097)	(2,975,440)
Cash flows from financing activities		
Employer contributions received	561,972	504,927
Member contributions received	1,742,031	1,171,337
Transfer from other superannuation plans received	3,962,592	3,301,159
Benefits paid to members / Transfers to other superannuation plans	(3,500,292)	(2,664,390)
Superannuation contributions surcharge received / (paid)	9	(10)
Income tax paid on contributions received	(73,859)	(92,368)
Insurance premiums paid	(131,655)	(120,875)
Insurance proceeds received	44,418	28,665
Net cash inflows from financing activities	2,605,216	2,128,445
Net increase in cash held	503,535	147,016
Cash and equivalents at the beginning of period	1,825,448	1,678,432
Cash and cash equivalents at the end of period	2,328,983	1,825,448

Contact us

phone 1800 667 841
fax 1800 071 329
web northonline.com.au
email north@amp.com.au
mail North Service Centre
GPO Box 2915
Melbourne VIC 3001

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