

# 2021 Annual Report

**Verve**  
SUPER



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## About this Annual Report

This Annual Report is for members of Verve Super a sub plan of the Future Super Fund, ABN 45 960 194 277, USI 45 960 194 277 010 RSE No. R1072914 referred to in this Annual Report as the "Fund". The Fund contains more than one division. Information in this report relates to members of the Verve Super division ("Verve Super") 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 Verve Super. The Sub Promoter of the Fund is Verve Superannuation Pty Ltd ABN 65 628 675 169; AFS Representative No. 001268903.

This Annual Report should be read in conjunction with the Annual Member Statement recently provided to you, which shows your member entitlement in the Fund as at 30 June 2021. If you would like a hard copy of this Annual Report sent to you free of charge, please contact Verve Super on 1300 799 482.

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 Verve 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. The current PDS and TMD for the product is available by calling Verve Super on 1300 799 482 or downloading from [www.vervesuper.com.au](http://www.vervesuper.com.au). You should consult a financial adviser if you require personal advice.



## Governance

Verve Super offers Verve Super Balanced as the investment option which considers the environment, social issues, ethical issues and the Trustee of the Fund is responsible for the ongoing management of the Fund. As Trustee, Diversa Trustees employ specialist providers to help look after the Fund and its investments which are outlined in the 'Directory' section at the end of this Annual Report.

As Trustee, Diversa Trustees aims to ensure that all legal and compliance obligations are properly met. It is responsible for compliance with the Trust Deed of the Fund, including ongoing satisfaction of legislative requirements, and monitoring of risk controls as specified in its' risk management framework. In summary, the Trustee's role generally incorporates:

- fund registration,
- issue of disclosure documents,
- compliance monitoring against legislative and regulatory requirements, and
- risk management.

The names of the Directors of the Trustee as of 30 June 2021 are as follows:

- Vin Plant (Chair),
- Murray Jones,
- Robyn FitzRoy,
- Andrew Peterson, and
- Fiona McNabb.

## 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. Directors 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.

### NOTES:

#### Retirements:

Murray Jones retired as a Director on 16 February 2021

Robyn Fitzroy retired as a Director on 16 February 2021

Vincent Plant retired as Chair on 16 February 2021 however remains as Director

#### Appointment:

Michael Terlet was appointed as Chair on 16 February 2021

Ron Beard was appointed as a Director on 16 February 2021

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

- Investment Committee, and
- Audit, Compliance, Risk and Remuneration 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 Future 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 [www.diversa.com.au](http://www.diversa.com.au).

## Compliance

The Fund is 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.

## Internal Auditor

The Trustee has appointed RSM Australia Pty Ltd, ABN 33 009 321 377 as the internal auditor of the Fund, to analyse and improve the controls and performance of the Fund. RSM Australia Pty Ltd can be contacted by writing to RSM Australia Pty Ltd, GPO Box 5138 NSW 2001. The Trustee may change internal auditors from time to time.

## Investments

### Verve Super Values

Verve Super is an ethical superannuation fund tailored for women, led by women. As an ethical super fund, Verve seeks to invest in companies that have a positive impact on the environment and our community.

The following contains information regarding the investments of Verve for the year ended 30 June 2021. Details of the investment option 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.

### Investment strategy

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 Verve Super's investment option is 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 Verve Super Product Disclosure Statement ("PDS") including related incorporated information and the TMD for Verve Super for more detailed information about the investment strategy and investment risks. The PDS is available by contacting Verve Super on 1300 799 482.

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

# Report from the Investment Manager

## Report from the Investment Manager of Verve Super

The last financial year was an eventful one for investment markets as the world continues to navigate the COVID-19 pandemic. Australian and global sharemarkets have been exceptionally volatile over these last two years. Sharemarkets reached all-time highs in February 2020 to then crash as the COVID pandemic hit. The Australian sharemarket recovered back to a new all-time high by the end of the 2021 financial year. The US stock market (S&P500) only took until August 2020 to recover back to pre-pandemic levels, then dropped back a bit before powering to levels well beyond what they were prior to the pandemic. The returns from our sharemarket investments are the biggest contributors to the double-digit positive returns for Verve Super last year.

We benefited from our overweight positions in companies that performed well during the pandemic, particularly the companies that were important to the move to social distancing and remote working.

While sharemarkets have recovered to all-time highs, interest rates still remain at historical lows. This means that returns from our fixed interest investments that track fixed interest benchmarks have been low, although our investments with active fixed interest managers have outperformed the market.

Verve Super delivered a return of 12.85% over the 2020/21 financial year. In the previous financial year the Verve Super portfolio delivered a return of 4.31% when the median super fund in its SuperRatings category (Balanced) produced a negative -0.46%. We're pleased that our investment performance over these particularly volatile few years has not only produced strong positive returns, but also returns that compare very well to the rest of the market.

Most pleasingly, there's been great growth in the Verve Super portfolio over the last year. This provides opportunities to increase the diversification within our portfolios and access new asset classes, as well to invest more into impactful assets. One of these initiatives in the last year was beginning to invest half of the Australian shares portfolio into a ground-breaking new gender-equity index. This bespoke index ranks Australia's largest listed companies on their gender-equity performance and policies, with the best performers making up the index. We have a strong belief that companies who perform better on gender equity are also more likely to provide better long term financial performance

### Disclaimer

This statement contains general information only and does not take into account any person's financial objectives, situation or needs. We recommend that you seek professional financial advice tailored to your own personal circumstances.

When considering financial returns, past performance is not a reliable indicator of future performance. Superannuation is a long term investment and it is important to consider investment returns over a long time horizon, rather than short term fluctuations. The risk profile of the Fund's investment strategy is based on the Standard Risk Measure. You can read more about the Risks of Super on page 12 of our Additional Information Booklet.

## 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. The Fund's monthly investment performance information is also made available at [vervesuper.com.au](https://vervesuper.com.au)

Information on investment performance relating to your Account specifically is provided in your Annual Member Statement for the year ended 30 June 2021.

### Investment Performance Returns % - Financial Year 30 June 2021

Returns as at 30 June 2021 <sup>1</sup>	1 year <sup>1</sup>	Since inception <sup>2</sup>
<b>Accumulation</b>		
<b>Verve Super Balanced<sup>3</sup></b>	12.85%	10.47%

**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. When the 5 or 10 years compound return is unable to be determined, the since inception return is provided.

**3** Inception date for Verve Super Balanced option was 1 November 2018.

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 options.



## Investment Options

### Verve Super Balanced Investment Option as at 30 June 2021

The following contains information regarding the investment option of the Verve Super for the year ended 30 June 2021. Details of investment option shown is not a guarantee of any particular benefit or return. The investment option objective is used by the Trustee to measure the performance of the Fund's investments.

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

As at 30 June 2021, Verve Super offers Verve Super Balanced as the investment option which considers the environment, social issues, ethical issues and labour standards in the investment process.

Call Verve Super on 1300 799 482 for more information about your financial matters and consider the PDS before making any decision on your super (available by contacting Verve Super on 1300 799 482 or emailing us at [hello@vervesuper.com.au](mailto:hello@vervesuper.com.au).)

Investment Return Objective			
CPI + 2.50% per annum over rolling ten year periods (after fees and taxes).			
Investment Strategy			
Verve Super – Balanced aims to invest in a diverse mix of assets with the majority in the growth assets such as shares, and a modest investment in defensive assets such as cash and fixed interest. The option's exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds. This option aims to provide investors with the highest possible returns consistent with a 'balanced' investment strategy, through investment in companies and assets. Specific allocations may vary but the Fund will retain a broad 65/35 split between growth and income assets and a bias toward Australian assets.			
Asset Classes and Benchmark Allocations	Benchmark (%)	Minimum (%)	Maximum (%)
Cash	5.0	2.0	20.0
Australian Fixed Interest	25.0	15.0	40.0
International Fixed Interest	0.0	0.0	15.0
Defensive Alternatives	5.0	0.0	25.0
<b>Defensive</b>	<b>35.0</b>		
Australian Shares*	30.0	15.0	45.0
International Shares*	30.0	15.0	45.0
Growth Alternatives	5.0	0.0	25.0
<b>Growth</b>	<b>65.0</b>		
<b>Total</b>	<b>100.0</b>		
Suitability			
Verve Super – Balanced investment strategy is suitable for members comfortable with accepting short term market/performance volatility in order to achieve higher long-term returns. This product is intended for everyday Australians who want to shift their retirement savings away from companies and activities which are harmful to the environment and society, and instead want to see their super invested in companies which strive for a fairer more equitable society			
Recommended Minimum Investment Timeframe			
Minimum 4 - 6 years			
Risk Level <sup>^</sup>			
Risk Band 7: Very High (6 or more estimated negative annual returns over any 20-year period).			

#### 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 2021

The following table provides information on the portfolio allocation for the Verve Super Balanced investment option as at 30/06/2021.

	30-Jun-21	
	% of Assets	Amount \$
Australian shares*	31.53%	49,818,196
International shares	32.58%	51,472,613
Alternatives / other	2.21%	3,486,800
Fixed Interest	27.82%	43,960,887
Cash	5.86%	9,257,980
<b>Total</b>	<b>100.0%</b>	<b>157,996,477</b>

### 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 the Fund and contributes towards the transaction costs associated with the Fund buying or selling assets in relation to investment transactions initiated by members or relating to the administration of member accounts.

Investment strategy	Buy	Sell
Verve Super Balanced	0.07%	0.07%

## 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 Verve Super were invested as at 30 June 2021.

As at 30 June 2021 assets inside Verve Super which individually represent more than five (5) per cent of total assets (or the ten (10) highest percentage assets) were:

Assets	%	\$'000
BetaShares Global Sustainability Leaders ETF Units Fully - Shares	28.25%	44,640
BetaShares Australian Sustainability Leaders ETF Units -Shares	16.11%	25,447
Cash at Bank (Macquarie Bank)	6.12%	9,649
BetaShares Sustainability Leaders Diversified Bond ETF – Fixed Interest	7.80%	12,316

**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.

## 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.

### Socially responsible investments

The Trustee, with the assistance of its service providers, takes environmental, social, ethical and labour standards into account, in the selection, retention or realisation of investments. Verve Super's Investment Committee draws on internal and external specialists to construct an approved investment list for the Investment Manager, and to ensure Verve Super's investments are consistent with these Verve Super Values. Please refer to the PDS for further information on Verve Super's screening process which assist construction of the approved investment list.

## News in superannuation

This update was compiled as at October 2021 and is subject to change. For up to date information relating to taxation of superannuation, go to [ato.gov.au](https://ato.gov.au) or contact the Fund.

It's been another significant financial year, with further changes to laws by the Federal Government for superannuation, as well as amendments to support the economy through COVID-19, with certain opportunities becoming available, some of which may apply to you.

### Design and Distribution Obligations (DDO) Reform

The Design and Distribution Obligations (DDO) reform which commenced on 5 October 2021 is one of the most significant changes to regulation in the financial services industry in recent times. It requires, among other regulations that the Fund makes and provides a Target Market Determination (TMD) for each product covered by the reform.

#### What is a TMD and when is it required

A TMD is a written document that describes the characteristics of a class of consumers that a financial product has been designed for. The TMD sets out how the product, and its key attributes meet the likely objectives, financial situation and needs of the class of consumers. A TMD must contain certain information, which can be broken down into Content and Appropriateness requirements. Additionally, the TMD will contain Distribution Conditions. A TMD cannot be a simple restatement of the content of the Product Disclosure Statement (PDS) or other disclosure documents (i.e. the Additional Information Booklet or Insurance Guides).

From 5 October, 2021, a product cannot be distributed to retail consumers without a valid TMD in place. As new products are issued or new features are added a TMD will need to be created or reviewed. Products for which a PDS must be prepared such as interests in a superannuation Fund, or a managed investment scheme require a TMD to be provided.

## CONTRIBUTING AND TOPPING UP YOUR SUPER

### Contributions Caps

There are limits to the amounts of contributions you are able to make to your super each financial year in order to be taxed at lower rates. These limits are called contribution caps. The cap amount and how much tax you need to pay depends on your age, the financial year that the contribution relates to and whether the contributions are concessional (before-tax) or non-concessional (after-tax) contributions.

Caps for the upcoming financial year	2021	2022
Super Guarantee (SG) contributions	9.5%	10%
Concessional contributions cap	\$25,000	\$27,500
Non-concessional contribution cap	\$100,000	\$110,000
Super co-contributions (lower Income Threshold \$37,000, Higher Income Threshold \$56,112)	Max. \$500	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	Max. \$500
Transfer Balance Cap	\$1,600,000	\$1,700,000
CGT cap	\$1,600,000	\$1,615,000
Low rate cap	-	\$225,000
Minimum annual pension amount continues to be halved as in 2021	2.0%	Under age 65
	2.5%	Age 65 – 74
	3.0%	Age 75 – 79
	3.5%	Age 80 – 84
	4.5%	Age 85 – 89
	5.5%	Age 90 – 94
	7.5%	Age 95 or more

## CARRY FORWARD ARRANGEMENTS

### Concessional cap – Carry forward arrangements

Since 1 July 2019, you have been able to carry forward an unused amount and increase your concessional contributions cap, but only if you had a total super balance of less than \$500,000 at the end of 30 June in the previous year.

Unused amounts of your concessional contributions cap are available to you for a maximum of five years, and will expire after this if not used.

### Non Concessional contribution cap – Bring-forward arrangements

Since the 2021 financial year, you have been able to extend the non-concessional cap Bring-forward rule up to the age of 67. You may be able to make non-concessional contributions up to three times the annual non-concessional contributions cap in a single year in any one three-year-period.

That is, up until 30 June 2021, you can contribute up to \$300,000 in any one three-year period, depending on your total superannuation balance. From 1 July 2021, this increased to \$110,000 p.a. or under the Bring Forward arrangements, up to \$330,000 in any one, three year period, as long as your total superannuation balance remains under the Transfer Balance Cap. This means, that when you make contributions greater than the annual cap (noted above), you automatically gain access to future year caps. You can then make further non-concessional contributions after the end of that three-year period, up to your non-concessional contribution cap, provided your total superannuation balance continues to be less than the Transfer Balance Cap.

Further information including eligibility criteria can be found in the Super caps, rates and thresholds factsheet available on the Funds Secure Online Portal. Contribution caps may change from time to time. Refer to <https://www.ato.gov.au/individuals/super/in-detail/growing-your-super/> for up to date information.

## COVID-19 UPDATE

The initiative under the coronavirus Economic Response Package Omnibus Bill 2021 enabling early release from super payments from Member Accounts ceased on 31 December 2020. Many Members experiencing financial difficulties were able to take advantage of the ability to apply for an early release from super of up to \$10,000 from 1 April until 30 June 2020, plus an additional amount of \$10,000 between 1 July and 31 December 2020 from their member Account.

Amounts paid from a Members super Account were tax free, did not affect Centrelink or Veteran's Affairs payments, were treated as non-assessable non-exempt income, were not be counted as income and were not considered under any income or means test.

In addition, Members who satisfied a financial hardship or compassionate condition of release could still apply for these in addition to the early release of super.



Changes to superannuation drawdowns were extended to apply to the 2021/21 financial year, with a further extension for the 2021/22 financial year announced by the Federal Government in early June 2021, with pension payments minimum amounts halved for:

- Account based annuities and pensions including transition to retirement income streams,
- Allocated annuities and pensions,
- Market-linked annuities and pensions also known as term allocated pensions.

If the Fund did not receive any new instructions from you to amend pension payments, the Trustees' default position has been for the administrator to continue to drawdown at the pre-existing level held at the end of the 2020/21 financial year. This meant, the new pension minimums continued to apply for the 2021/22 financial year.

Transition to Retirement Pensions are a form of an account-based pension, and have both minimum and maximum payments to consider when opting in and lodging a superannuation drawdown.

Further information on both Superannuation Drawdowns can be found at [ato.gov.au/super](https://ato.gov.au/super). Note that other fees might still apply.

## INACTIVE ACCOUNTS AND TYPES OF UNCLAIMED SUPER

### Treatment of inactive low-balance super Accounts

Superannuation legislation requires the Trustee of the Fund to transfer information and superannuation benefits to the Australian Taxation Office (ATO) when Member benefits are classified as Unclaimed Super. On receipt, the ATO will try to match said account with any active super Account there is a record of you holding.

The exception to this is where you have provided a written notice to the ATO declaring that you are not a Member of an inactive low balance Account. If this applies to you, you can authorise the Fund to provide the written notice to the ATO on your behalf. The notice must be provided to the commissioner of Taxation on or before the relevant due date for the payment to the ATO.

The notice is valid for 16 months, and after that period if your Account remains an inactive low balance Account, you will need to complete another declaration every 16 months if you wish your funds to remain in your Account.

Further information on unclaimed super monies and inactive low-balance super Accounts can be found in the Important Information section of this Annual Report or on the ATO website at

<https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Inactive-low-balance-super-accounts/>.

Alternatively, if you make a contribution or rollover to your Account, make changes to your insurance, or change your investment options, before the transfer date, your Account will be considered 'active' and won't be closed or transferred to the ATO.

## Inactive low-balance Accounts and unclaimed super monies – Reporting and payment requirements

There are two ATO reporting periods each year (by 31 October for the 30 June six-month period, and by 30 April for the 31 December six-month period).

1. Member aged 65 or older – your Account has been inactive for two years or more, and we have not been able to make contact with you for five years.
2. Non-Member spouse - An amount payable to a non-Member spouse as a result of a family law superannuation split – and after making reasonable efforts to contact, the non-Member spouse, and after a reasonable period has passed, we are unable to ensure that the non-Member spouse will receive the amount.
3. Deceased Member – the trustee is unable (after reasonable endeavour) to locate a beneficiary to pay your benefit to.
4. Temporary residents - temporary residents permanently leaving Australia have up to six months to claim superannuation and if not claimed the amount will be transferred to the ATO
5. Former temporary resident Member and you have not claimed your benefit after six months from your visa expiry or cancellation date and you are not Australian or New Zealand citizen.
6. Small and insoluble lost Member - when your balance is less than \$6,000 (small lost Member Account). and you are considered as:
  - uncontactable - two pieces of mail sent to you have been returned undelivered, no contributions or rollovers have been received within the last 12 months, and the Fund is satisfied that it will never be possible to pay an amount to the Member (insoluble lost Member Account).
7. Holding an inactive low-balance Account - A super Account is an inactive low-balance Account if all of the following criteria are met on unclaimed money day where:
  - no contribution or rollover has been received for 16 months,
  - the Account balance is less than \$6,000,

- the Member has not met a prescribed condition of release,
- the Account is not a defined benefit Account,
- there is no insurance on the Account,
- the Fund is not a self-managed super fund (SMSF) or small Australian Prudential Regulation Authority (APRA) Fund.

#### **WHEN IS AN INACTIVE LOW-BALANCE ACCOUNT CONSIDERED ACTIVE?**

An inactive low-balance Account is deemed to be active if any of the following have occurred within the last 16 months. The Member:

- Changed their investment options,
- Changed or elected to maintain insurance coverage,
- Made or amended a binding death benefit beneficiary nomination,
- Notifies the Fund or ATO in writing that they are not a Member of an inactive low-balance Account, or
- Owes the super provider an amount in respect of their Membership.

Further information can be obtained from the website [ato.gov.au/Individuals/Super/Growing your super](http://ato.gov.au/Individuals/Super/Growing_your_super).

## Important information

### Abridged financial information

Set out below is the abridged financial information relating to the Future Super Fund.

Statement of Financial Position as at 30 June		
Assets	2021 (\$'000)	2020 (\$'000)
Cash and cash equivalents	87,400	66,748
Investments held at fair market value	1,160,357	699,874
<b>Receivables</b>		
- Distributions and dividends receivable	30,561	89
- GST receivable	285	184
<b>Other assets</b>		
- Deferred tax assets	10	16
<b>Total Assets</b>	<b>1,278,613</b>	<b>766,911</b>
<b>Liabilities</b>		
Benefits Payable	1,052	1, 183
Accounts Payable and Accrued Expenses	1,492	1, 123
Current Tax Liability	15,923	1, 194
Deferred tax Liability	13,721	4, 518
<b>Total Liabilities excluding Member Benefits</b>	<b>32,188</b>	<b>8,018</b>
<b>Net assets available to pay benefits</b>	<b>1,246,425</b>	<b>758,893</b>
Member benefits	1,239,213	755,065
<b>Total net assets</b>	<b>7,212</b>	<b>3,828</b>
<b>Equity</b>		
- Operational Risk Reserve	2,902	1,629
- Expense Reserve	92	703
Unallocated Surplus	4,218	1,496
<b>Total Equity</b>	<b>7,212</b>	<b>3,828</b>

## Important information

### Abridged financial information

Set out below is the abridged financial information relating to the Future Super Fund.

Verve Super Fund Statement of member movements (as at 30 June 2020)	2021	2020
	\$'000	\$'000
<b>Opening Net Assets</b>	<b>86,697</b>	<b>17,898</b>
<b>Increase (Decrease)</b>	<b>69,257</b>	<b>68,799</b>
<b>Closing Net Assets</b>	<b>155,954</b>	<b>86,697</b>

\* The Funds financial accounts have been prepared in accordance with accounting standard AASB1056 Superannuation Entities applicable to reporting periods on or after 1 July 2016. The Funds financial accounts and audit report can be made available to members on request by phoning the Future Super Fund (Refer Directory on the back page).

### 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 and PDS Guides for more information.

Future Super Fund ORFR (as at 30 June 2021)	2021	2020	2019
	\$'000	\$'000	\$'000
<b>Closing Balance</b>	<b>2,902</b>	<b>1,629</b>	<b>1,000</b>

### 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, tax and levies. Please refer to the current PDS and PDS Guides for more information.

Future Super Fund Expense Reserve (as at 30 June 2021)	2021	2020	2019
	\$'000	\$'000	\$'000
<b>Closing Balance</b>	<b>92</b>	<b>703</b>	<b>232</b>

## Allocating net earnings to members' Accounts

As Verve Super is a unitised fund, your Account balance is equal to the amount 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.

Refer to the current PDS for more detailed information about the calculation of earnings. The PDS is available by contacting us on 1300 799 482. Refer to your Annual Member Statement for information the net investment performance for your portfolio of investments.



## Types of unclaimed super

Superannuation legislation requires the Trustee of the fund to transfer information and superannuation benefits to the Australian Taxation Office (ATO) when member benefits are classified as Unclaimed Super. There are two ATO reporting periods each year (by 31 October for the 30 June six-month period, and by 30 April for the 31 December six-month period).

- Member aged 65 years or older– your Account has been inactive for two years or more, and we have not been able to make contact with you for five years.
- Non-member spouse – An amount payable to a non-member spouse as a result of a family law superannuation split, and after making reasonable efforts to contact, the non-member spouse, and after a reasonable period has passed, we are unable to ensure that the non-member spouse will receive the amount.
- Deceased member – the trustee is unable (after reasonable endeavour) to locate a beneficiary to pay your benefit to.
- Temporary residents – temporary residents permanently leaving Australia have up to six months to claim their super and if not claimed the amount will be transferred to the ATO.
- Former temporary resident member and you have not claimed your benefit after six months from your visa expiry or cancellation date and you are not an Australian or New Zealand citizen.
- Small and insoluble lost member – when your balance is less than \$6,000 (small lost member Account), and you are considered as:
  - uncontactable – two pieces of mail sent to you have been returned undelivered, no contributions or rollovers have been received within the last 12 months, and the fund is satisfied that it will never be possible to pay an amount to the member (insoluble lost member Account).
  - Holding an inactive low-balance account – A super account is an inactive low-balance Account if all of the following criteria are met on unclaimed money day where:
    - o no contribution or rollover has been received for 16 months,
    - o the account balance is less than \$6,000,
    - o the member has not met a prescribed condition of release,
    - o the account is not a defined benefit account,
    - o there is no insurance on the Account,
    - o the Fund is not a self-managed Super fund (SMSF) or small Australian Prudential Regulation Authority (APRA) Fund.

## When is an inactive low-balance Account considered active?

An inactive low-balance Account is deemed to be active if any of the following have occurred within the last 16 months. The member:

- Changed their investment options,
- Changed or elected to maintain the insurance
- Made or amended a binding beneficiary nomination,
- Notifies the Fund or ATO in writing that they are not a member of an inactive low-balance Account, or
- Owes the super provider an amount in respect of their membership.

Further information can be obtained from the website [ato.gov.au/Individuals/Super/Growing\\_your\\_super](https://ato.gov.au/Individuals/Super/Growing_your_super).

## Member statements

Your Annual Member Statement is published online within your Account, you can access this via your Member online log in. Additionally, we also publish product updates and personalised communications online.

## 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 dedicated 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.

## Eligible rollover fund

As a result of legislative changes introduced in 2020/2021, all unclaimed and lost money is now transferred to the Australian Taxation Office (ATO). The SMERF is required to transfer all Member balances to the ATO by 31 January 2022. While the requirement is to transfer all Member benefits to the ATO by 31 January 2022, the Trustee of the SMERF made the decision to transfer all Member benefits to the ATO by 30 June 2021. As a result of this action the SMERF was effectively closed to accepting any further Member balances from 30 June 2021.

## Disclosure of Interest

The Trustee is also the Trustee of SMERF and receives remuneration in this capacity.

## 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 [www.diversa.com.au/trustee/governance](http://www.diversa.com.au/trustee/governance).

## Enquiries and Complaints

Superannuation legislation requires us to have arrangements in place for you to make enquiries or complaints about the operation or management of the Fund.

The arrangements that we have established are:

- Enquiries can be made by telephone to 1300 799 482 or in writing [hello@vervesuper.com.au](mailto:hello@vervesuper.com.au).
- A complaint can be made verbally or in writing and addressed to The Complaints Officer, Verve Super, PO Box 909, Byron Bay NSW 2481 or sent electronically to [hello@vervesuper.com.au](mailto:hello@vervesuper.com.au).

The receipt of complaints will be acknowledged by the Fund. The complaint will be investigated, and action initiated to resolve the matter. A written response will be made as soon as possible but within the timeframes prescribed by superannuation legislation. The Complaints Officer will investigate your complaint and write to inform you of the results of that investigation no later than 45 calendar days after receiving your complaint (unless the complaint relates to a death benefit distribution, in which case the Complaints Officer will respond no later than 90 calendar days after the expiry of the 28 calendar day period for objecting to a proposed death benefit distribution). If you are not satisfied with our response or you have not received a response within the required timeframe, you may take your complaint to the Australian Financial Complaints Authority (AFCA).

## AFCA

AFCA is an external dispute resolution 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](mailto:info@afca.org.au)  
**Write:** Australian Financial Complaints Authority (AFCA)  
PO Box 3  
Melbourne VIC 3001  
**Visit:** [afca.org.au](http://afca.org.au)

## Information on request

The following information is available on Verve Super's website [vervesuper.com.au](http://vervesuper.com.au) and/or by contacting Verve Super during office hours, or write to Verve Super at GPO Box 909, Byron Bay NSW 2481 (refer to the Directory on the back page):

- Verve Super's various Product Disclosure Statements (including Investment Guide, Insurance Guide and Additional Information Guide which are incorporated by reference, where applicable),
- Verve Super's regular investment performance
- recent member newsletters,
- the Fund's Trust Deed and Rules,
- all forms, e.g. the Nomination of Beneficiaries Form,
- Verve Super's TMD
- 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 and PDS. 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.

## Directory

### Obtaining further information Verve Super

**Phone:** 1300 799 482  
**Email:** [hello@vervesuper.com.au](mailto:hello@vervesuper.com.au)  
**Mail:** PO Box 909  
Byron Bay  
NSW 2481  
**Visit:** [www.vervesuper.com.au](http://www.vervesuper.com.au)

### Trustee Diversa Trustees Limited

ABN 49 006 421 638 AFSL No. 235153  
RSE Licence No L0000635 GPO Box 3001  
Melbourne VIC 3001

### Auditors PricewaterhouseCoopers

ABN 52 780 433 757  
Freshwater Place  
2 Southbank Boulevard  
Southbank VIC 3006

### Custodian RBC Investor Services Australia Nominees Pty Limited

ABN 70 097 125 123  
Level 47, 2 Park Street  
Sydney NSW 2000

### Investment Manager Future Super Investment Services Pty Ltd

ABN 55 621 040 702 AFSL Rep. No. 001271441  
Corporate Authorised Representative of Future Super Holdings Pty  
Ltd ABN 90 167 800 580 AFSL 482684  
GPO Box 1858  
Sydney NSW 2001

### Insurer AIA Australia Limited

ABN 79 004 837 861 AFSL 230043

### Promoter Future Super Investment Services Pty Ltd

ABN 55 621 040 702 AFS Rep. No. 001271441  
Corporate Authorised Representative of Future Super Holdings Pty  
Ltd ABN 90 167 800 580 AFSL 482684  
GPO Box 1858  
Sydney NSW 2001.

### Sub Promoter Verve Superannuation Pty Ltd

ABN 65 628 675 169;  
AFS Representative No. 001268903 PO  
Box 909, Byron Bay NSW 2481

### Administrator OneVue Super Services

ABN 74 006 877 872 AFSL No. 246883  
PO Box 1282  
Albury NSW 2640