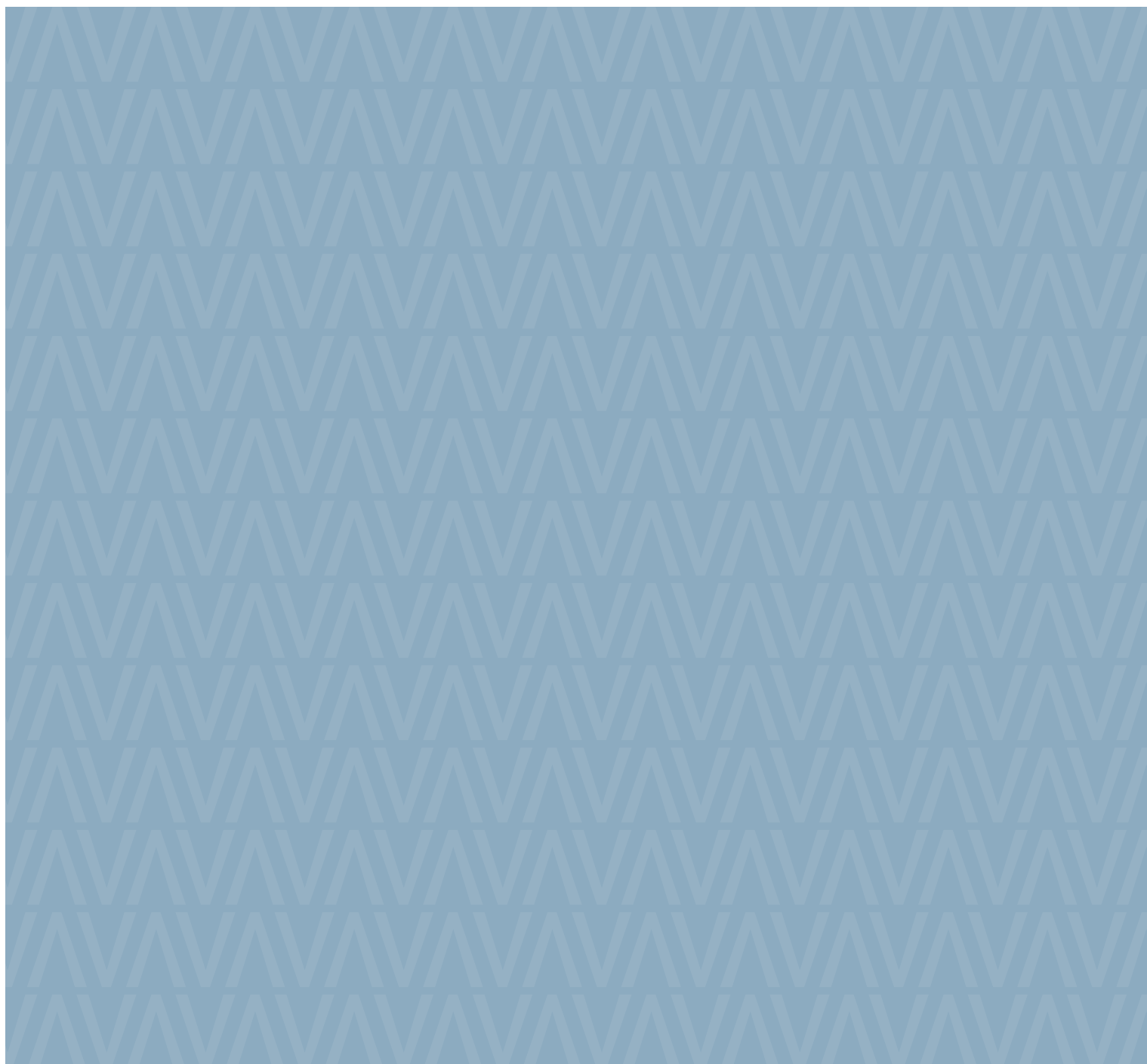


ADVANCE FIXED TERM PENSION

Annual Report for year ended 30 June 2020

Issued by BT Funds Management Limited ABN 63 002 916 458, AFSL 233724



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In this Annual Report

- > 'Advance' means Advance Asset Management Limited (Advance) ABN 98 002 538 329, AFSL 240902.
- > 'BTFM', 'we', 'us' and 'our' are references to BT Funds Management Limited ABN 63 002 916 458 AFSL 233724.

Important information

The Advance Fixed Term Pension Division (Advance Fixed Term Pension) is part of the Advance Retirement Suite ABN 95 068 282 166. BTFM is the trustee of the Advance Retirement Suite and has issued this Annual Report.

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

The investment information or general advice provided in this publication doesn't take into account your personal objectives, financial situation or needs and because of that you should consider the appropriateness of the information or advice having regard to these factors. Before deciding whether to open, or to continue to hold, a financial product issued by us, you should obtain and consider the Product Disclosure Statement (PDS) for that product, available from us or your financial adviser. Past performance is not a reliable indicator of future performance.

BTFM and Advance

Advance has entered into an agreement with us relating to the establishment and administration of the Advance Fixed Term Pension and under this agreement, Advance may ask us to retire as the trustee of the Advance Fixed Term Pension and we must do all things reasonably required by Advance to facilitate the appointment of a person nominated by Advance as our replacement.

You'll be notified if we're asked to retire as the trustee. When we retire, we'll be released from any future obligations in relation to the Advance Fixed Term Pension and the replacement trustee will agree to take on all duties and obligations of the trustee.

Advance and BTFM are subsidiaries of the Westpac Banking Corporation (Westpac) ABN 33 007 457 141. An investment in the Advance Fixed Term Pension is not a deposit with, investment in, or other liability of Westpac or any other company within the Westpac Group. It's subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither Westpac nor any other company within the Westpac Group stands behind or otherwise guarantees the capital value or investment performance of the Advance Fixed Term Pension.

Introduction

We're pleased to present the Annual Report for the Advance Fixed Term Pension at 30 June 2020. This report is issued in accordance with the *Corporations Act 2001*. It contains general information, providing details of the financial position and management of the accounts for the Advance Fixed Term Pension Accounts.

The report also details how you can obtain additional information about your Account. You can request additional information (including the trust deed, financial statements and auditor's report) from our Customer Relations team by calling 1800 819 935 or emailing investorservices@advance.com.au

Understanding your investment

As at 30 June 2020 all of the Advance Fixed Term Pension assets comprised investments in the Prime Securities Trust No. 3 – Indexed to the CPI and Prime Securities Trust No. 3F – Non-indexed (the Trusts), which are managed by UBS AG, ABN 47 088 129 613 (UBS). UBS does not in any sense ‘stand behind’ the performance of Advance’s obligations, nor guarantee the capital value or performance of units, nor have any liability in connection with the Advance Fixed Term Pension. UBS is not responsible for any statement or information contained in this Annual Report.

For further details about the Advance Fixed Term Pension assets, please see the abridged financial information.

On 17 September 2020, BT Funds Management Limited in its capacity as the trustee of the Advance Retirement Suite resolved to transfer all members and assets to Retirement Wrap (ABN 39 827 542 991 RSE Registration R1001327) by way of Successor Fund Transfer (SFT). Fixed Term Pension members will be transferred ‘as is’ to the Retirement Division within Schedule 1 of Retirement Wrap to remain a standalone product with no changes to existing terms and conditions, benefits, fees and costs or product features. Fixed Term Pension streams will continue until the relevant date of expiry.

Investments exceeding 5%

100% of the Advance Fixed Term Pension assets are invested in the Prime Securities Trust No. 3 – Indexed to the CPI and Prime Securities Trust No. 3F – Non-indexed (the Trusts), which are managed by UBS AG, ABN 47 088 129 613 (UBS).

Investment objectives and strategy

To provide two separate income streams for set terms – one income stream supporting payment of the non-indexed fixed term pensions and the other income stream supporting payment of the indexed fixed term pensions.

This is achieved through the investment in the Trusts, which pay us amounts that are used to make your pension payments, so the total amount in any year will not fall below the total amount of pension payments made in the relevant preceding year. The Trusts only invest in assets with a high degree of security, such as:

- > investments rated A-1+ (short term) or at least AA+ (long term) by Standard & Poor’s at the date of acquisition
- > investments with entities rated A-1+ (short term) or at least AA+ (long term) by Standard & Poor’s at the date of acquisition
- > investments which are obligations of, or guaranteed by, the Commonwealth Government or a State Government at the date of acquisition.

While the assets of the Trusts will generate cash flows to pay your pension payments over the term you select, the timing, frequency and amount of the cash flows may not match the timing, frequency and amount of your pension payments.

To overcome this, UBS may use derivatives undertaking to ‘swap’ the cash flows of the Trusts’ assets and liabilities in financial markets, despite the performance of the underlying assets of the Trusts. UBS does not use derivatives to leverage (gear) the Trusts. The Advance Fixed Term Pension itself doesn’t invest in derivatives directly.

Other important information

Professional Indemnity Insurance

As trustee of the Advance Fixed Term Pension, BTFM is responsible for the day-to-day administration and ensuring it complies with all relevant laws and the provisions of the trust deed. To cover any potential liabilities, BTFM has taken out professional indemnity insurance.

Keeping you informed

Each year you'll receive the following information about your account.

- > A statement for the year ended 30 June, detailing the new level of your pension payment for the next year (if you've chosen the CPI Linked Option), your rate of return, opening and closing balances and transactions over the period just ended.
- > This Annual Report updating you on the financial position of the Advance Fixed Term Pension.

If you'd like to know more about how the Advance Fixed Term Pension operates, you can contact us for other information.

Tax on your investment

For more information on taxation relevant to your personal circumstances, you should contact your financial or tax adviser.

Financial information

As permitted under the Corporations Act, audited fund accounts and the auditor's report have not been included with this Annual Report. Copies of complete audited financial statements and the auditor's report will be available from:

Advance
GPO Box B87
Perth WA 6838
or by calling 1800 819 935.

Enquiries and complaints

We're committed to providing quality service to our investors. If you have any enquiries or complaints about your investment in the Advance Fixed Term Pension please let us know.

Telephone

1800 819 935

Fax

08 9481 4318

Email

investorservices@advance.com.au

Mail

Advance
GPO Box B87
Perth WA 6838

We'll advise you if there is a charge for any information requested.

We'll acknowledge any complaint in writing within five business days and respond in writing within 45 days. If you're not satisfied with our actions, you can contact our Complaints Officer on the above number or address.

If a complaint hasn't been resolved within 45 days or you're not satisfied with the decision, you may contact the Australian Financial Complaints Authority (AFCA) – an independent dispute resolution scheme for financial services.

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001

Financial information

Advance Fixed Term Pension

Advance Fixed Term Pension forms part of the Advance Retirement Suite (the Fund). This annual report contains unaudited abridged financial information for the financial year ended 30 June 2020 for the Fund. The Fund's audited Financial Statements and Auditor's Report are available upon request by contacting us on 1800 819 935.

ADVANCE FIXED TERM PENSION INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020		
	2020	2019
	\$'000	\$'000
Superannuation activities		
Net changes in the fair value of investments	7	6
Total net income	7	6
Trustee's fees	1	2
Total expenses	1	2
Profit/(loss) from superannuation activities before income tax	6	4
Income tax expense/(benefit)	-	-
Profit/(loss) from superannuation activities after income tax	6	4
Less: net benefits allocated to defined contribution members' accounts	(6)	(4)
Profit/(loss) after income tax	-	-

ADVANCE FIXED TERM PENSION STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020		
	2020	2019
	\$'000	\$'000
Assets		
Cash and cash equivalents	58	58
Investments	78	146
Total assets	136	204
Liabilities		
Payables	-	-
Total liabilities excluding member benefits	-	-
Net assets available for member benefits	136	204
Members benefits	136	204
Total net assets	-	-
Equity		
Unallocated benefits	-	-
Total equity	-	-

ADVANCE FIXED TERM PENSION STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2020		
	2020	2019
	\$'000	\$'000
Opening balance of member benefits	204	317
Total contributions	-	-
Benefit payments	(69)	(109)
Adviser fees	(5)	(8)
Net benefits allocated to members' accounts, comprising:		
Net benefits allocated to defined contribution members' accounts	6	4
Closing balance of member benefits	136	204

The Advance Retirement Suite

As permitted under the *Corporations Act 2001* abridged financial information of the Account is included in this annual report.

You can request a copy of the audited financial statements and auditor's report at any time by contacting Advance on 1800 819 935.

The Advance Retirement Suite

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020		
	2020	2019
	\$'000	\$'000
Superannuation activities		
Distribution income	10,032	10,322
Net gains/(losses) on financial instruments held at fair value through profit or loss	(23,230)	3,417
Other income	851	611
Total net income	(12,347)	14,350
Trustee's fees	279	339
Other expenses	109	113
Total expenses	388	452
Profit/(loss) from superannuation activities before income tax	(12,735)	13,898
Income tax expense/(benefit)	643	(519)
Profit/(loss) from superannuation activities after income tax	(13,378)	14,417
Less: net benefits allocated to members' accounts	13,378	(14,417)
Profit/(loss) after income tax	-	-

The Advance Retirement Suite

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020		
	2020 \$'000	2019 \$'000
Assets		
Cash and cash equivalents	427	1,020
Unsettled sales	355	475
Receivables	2	3
Financial assets held at fair value through profit or loss	200,443	240,566
Tax refund due	–	170
Deferred tax assets	1,623	1,941
Total assets	202,850	244,175
Liabilities		
Payables	179	218
Income tax payable	899	–
Total liabilities (excluding member benefits)	1,078	218
Net assets available for member benefits	201,772	243,957
Member benefits	200,149	242,016
Total net assets	1,623	1,941
Equity		
Unallocated benefits	1,623	1,941
Total equity	1,623	1,941

The Advance Retirement Suite

STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2020		
	2020 \$'000	2019 \$'000
Opening balance of member benefits	242,016	255,536
Employer contributions	3,728	4,194
Member contributions	1,038	1,143
Transfers from other funds	1,602	693
Superannuation co-contributions	63	72
Income tax on net contributions	(547)	(624)
Net after tax contributions	5,884	5,478
Benefit payments	(34,267)	(33,636)
Insurance premiums charged to members' accounts	(508)	(560)
Insurance benefits credited to members' accounts	95	383
Adviser fees	(18)	(32)
Refund of adviser fees	7	-
Net benefits allocated to members' accounts, comprising:		
Net benefits allocated to members' accounts	(13,378)	14,417
Transfer from/(to) unallocated benefits	318	430
Closing balance of member benefits	200,149	242,016

The Advance Retirement Suite

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020		
	2020 \$'000	2019 \$'000
Unallocated benefits		
Opening balance	1,941	2,371
Net transfer to/(from) unallocated benefits	(318)	(430)
Closing balance	1,623	1,941

Advance Asset Management, **GPO Box B87, Perth WA 6838**

Customer Relations 1800 819 935 Adviser Services 1300 361 864

Email investorservices@advance.com.au Fax (08) 9481 4318

advance.com.au

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