

Annual Report 2016–17

Issue date – 31 October 2017



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OUR MISSION

Partnering with our members to reach their retirement income goals by providing value for money products and services.

OUR VISION

To be the superannuation fund of choice for energy industry employees.

We believe in simple, honest conversations and providing easy-to-read information – **it's just how we're wired.**

However, the superannuation industry is governed by legislation and regulations which means that sometimes we have to use technical terms in our communications to comply.

If you're unsure of a term in this report or any of our communications, you can look it up in the Association of Superannuation Funds of Australia (ASFA) Dictionary of Superannuation at superannuation.asn.au/dictionary.aspx or call us on **1300 4 ENERGY** (1300 436 374).

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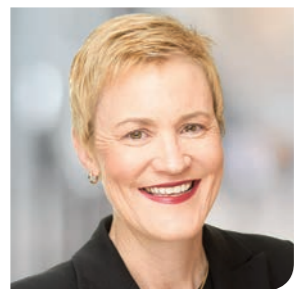
In a year of global political events and significant change to our industry, Energy Super responded to deliver top ten investment performance, services and products to meet these demands.

WELCOME

FROM THE CHAIR & CEO



MARK WILLIAMSON – CHAIR



ROBYN PETROU – CEO

Welcome to the 2016/17 Annual Report. We are delighted to report that the Fund has continued to perform strongly with the performance of our Balanced option – the option in which most of our members are invested – being ranked in the top 10 performing funds in Australia by Chant West in their Survey of Growth Funds for the year ending 30 June 2017.

TOP 10 FUND AGAIN

The 11.7% return for our super Balanced option for this period beat inflation by 9.8%. The corresponding return for our income stream Balanced option was 12.88%, thanks to the well-earned favourable tax treatment for income streams. Both returns are in marked contrast to the official interest rate, which at 1.5% is *below* the inflation rate of 1.9%.

And while it's great when your super fund performs well for the year, it's even better when it performs well for over a decade. We're pleased to report that our long-term investment performance remains strong. A case in point is our Growth investment option, which according to the SuperRatings Fund Crediting Rate Survey (SR50 Growth), was ranked Number 1 over a rolling 10-year period to 30 June 2017.

For the complete rundown of our investment performance and for an overview of the investment and economic conditions over the past 12 months, see our investment update on pages 10–11.

VALUE FOR MONEY

We are constantly reviewing our value to members, in both fees and services. There is a lot of activity in the marketplace from superannuation funds competing on price. Several funds in Queensland recently opened their door to the public and members now have choice.

It's led to more competition amongst super funds in this state, and has shone the spotlight on fees, investment performance, and the member experience.

Last year we halved our administration fee cap from \$2,200 for accounts of \$1M-plus to \$1,100 for accounts of \$500,000-plus. The one fee applies to both you and your spouse's accounts combined, which benefits couples who are members of Energy Super to jointly pay the \$1,100 fee, rather than separately. Our \$1 a week administration fee has remained in place for many years, and our investment fees (which vary between 0.06% p.a. and 0.58% p.a. depending on your investment option) remain competitive.

Our strong performance, low fees and quality product offering has seen Energy Super receive SuperRating's Platinum Rating for Best Value for Money Fund every year since 2008, along with a number of awards over this time.

Delivering value for money products and excellent service are our mainstays, and our size has a lot to do with that: we're big enough to matter, small enough to care.

We differ from other funds in many ways, not least of all with our true commitment to our regional members, our income protection insurance that looks after workers in the energy industries, and our emphasis on timely, open communication with our members and employers.

RESPONDING TO YOUR FEEDBACK

Good communication relies heavily on open feedback, and we aren't afraid to ask members for feedback on how we are doing. Members have responded enthusiastically to our request, with 2,059 members providing their feedback. We're very grateful to these members for taking the time to do this. The level of satisfaction with each of our teams ranged from an average of 8.7 to 9.3 out of 10; it's a stat we are proud of and one that we aim to improve on.

Member feedback loops back into our Energy Super ideas committee, which looks to turn product and service ideas into real changes that improve the way we do things. A couple of examples include the introduction of non-lapsing binding nominations and pre-populated forms.

With the implementation of a number of digital initiatives we have been able to deliver online functions to help members manage their investment. Members can search for lost money and roll in other super accounts into Energy Super via their online account. While there, members can also switch investment options, update their details, and change their beneficiaries and pension preferences.

A major change implemented this year to better meet our members' needs was the overhaul of our insurance claims process. We've embedded our insurance team within the Fund to support injured

and ill members. It has led to a halving of Income Protection and Total & Permanent Disablement claims assessment times, meaning members can start their recovery sooner. Claims acceptances remain extremely high, with our insurer continuing to accept 94% of our members' claims.

MORE GOVERNMENT CHANGE

During the year there were a number of Government changes to superannuation – particularly changes to income stream accounts, including the introduction of an upper balance on the total amount of super you can have while in the tax-free income stream phase.

Our teams have been very busy working with members to explain and work through the changes. Our financial advisers reviewed and/or restructured hundreds of affected members' superannuation arrangements to ensure they were in the best financial position when the reforms became effective on 1 July.

There are more changes proposed which we are monitoring closely. We will advise members immediately if and when these are finalised, and explain the likely impact on their super. Through our digital program we can communicate with members very quickly to keep them informed and empowered to make decisions about their investment. We were the first super fund to notify members of the US election, and we were online and on social media the night of the Federal budget.

As Chair and CEO we would like to thank the Energy Super Team for another year of strong performance across the business. We're excited by the way this Fund is growing and maturing, and we're honoured to be trusted with the retirement savings of so many Australians.

We hope you enjoy the report.

Our team is growing and our reach is spreading, we now have staff in Townsville, Gladstone and Perth working to grow and support our membership.

FUND UPDATE

11.3%

INCREASE IN FUNDS UNDER MANAGEMENT



9k+

MEMBERS ATTENDED PUBLIC AND WORKPLACE SEMINARS



250k+

WEBSITE VISITS. MOBILE USE INCREASED OVER 20%



1,182

ADVICE STATEMENTS ISSUED ON CONTRIBUTIONS, INVESTMENT OPTIONS AND INSURANCE - AT NO EXTRA COST

637

COMPREHENSIVE ADVICE APPOINTMENTS HELD ON A FEE-FOR-SERVICE BASIS

406

ONGOING REVIEWS FOR FINANCIAL PLANNING MEMBERS

480k+

EMAILS SENT; OVER 24,000 VISITS TO OUR CONTENT HUB



94%

SUCCESSFUL INSURANCE CLAIMS PROCESSED



43k+

CALLS TAKEN BY MEMBER SERVICES



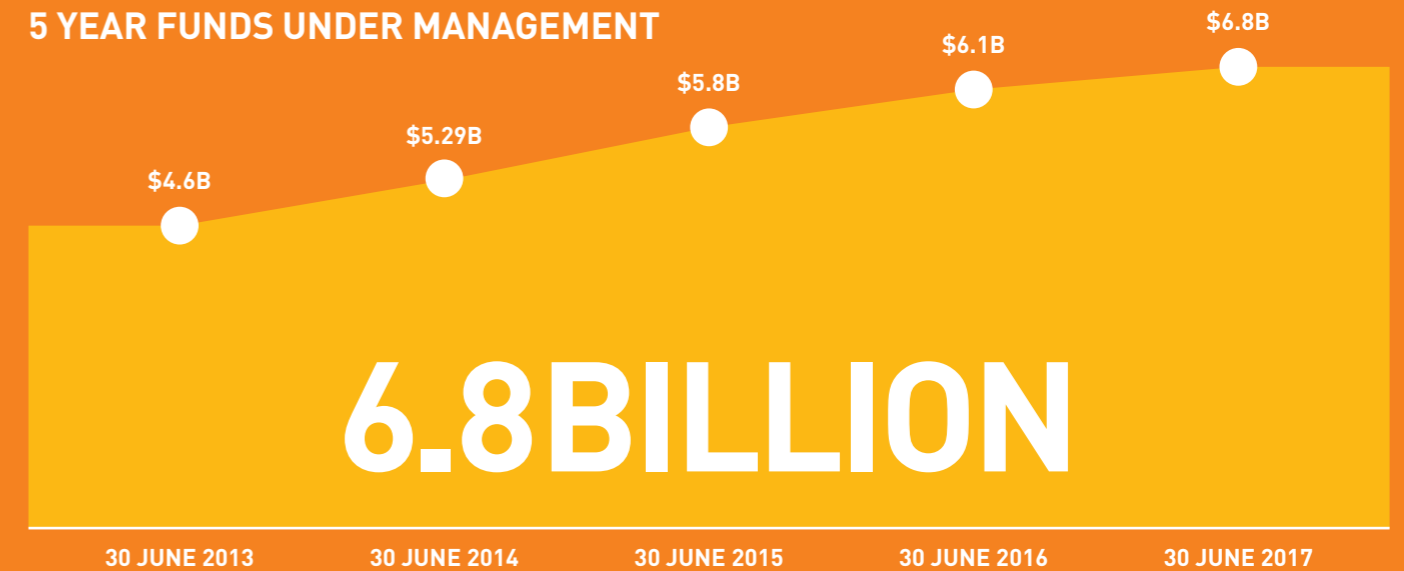
A TOP 10

PERFORMING FUND AGAIN*



*For our Balanced option, according to Chant West's survey of Growth options with assets of \$1B plus for 12 months to 30 June 2017.

5 YEAR FUNDS UNDER MANAGEMENT



TOP 5 PERFORMERS OVER 5 YEARS (%)

BALANCED - SUPER	10.81
BALANCED - INCOME STREAM	11.99
OBJECTIVE	4.97
SRI BALANCED - SUPER	9.32
SRI BALANCED - INCOME STREAM	10.11
OBJECTIVE	4.97
GROWTH - SUPER	12.43
GROWTH - INCOME STREAM	13.90
OBJECTIVE	5.47
AUSTRALIAN SHARES - SUPER	12.81
AUSTRALIAN SHARES - INCOME STREAM	14.25
OBJECTIVE	5.47
INTERNATIONAL SHARES - SUPER	15.65
INTERNATIONAL SHARES - INCOME STREAM	16.81
OBJECTIVE	5.47



“I am a proud member of Energy Super. I always share and recommend you with my family and friends.”

MEMBER FEEDBACK SURVEY

Energy Super is an industry super fund. As a member of the Industry Super Association, we only operate in the best interest of members with a common goal of providing the best possible retirement outcome for members. Industry super funds have low fees and do not pay commissions to financial advisers.

OUR CREDENTIALS

WE'RE PROUD TO HAVE RECEIVED THE FOLLOWING FROM LEADING RATINGS AGENCIES:

- Finalist for Best Advice Offering – Conexus¹
- Finalist for Select Choice Product of the Year – Rainmaker²
- Finalist Innovation Millennial Super Product of the Year – Rainmaker
- Finalist for Medium Size Fund of the Year – Conexus³
- Finalist Choice Super Fund of the Year – SuperRatings⁴
- Finalist Specialist Fund of the Year – Chant West⁵
- Finalist Integrity Award – Chant West
- Finalist Career Fund of the Year – SuperRatings.

Ratings are only one factor to be considered when making investment decisions and you should seek financial advice if you are thinking about making changes to your super. Book an appointment at energysuper.com.au or call **1300 4 ENERGY** (1300 436 374).

For more information about ratings and the rating scale refer to energysuper.com.au/ratings



INDUSTRY SUPERFUND



SUPERRATINGS



SELECTING SUPER²



Energy Super was awarded SelectingSuper's highest possible AAA Quality Assessment² rating and is in the Top 10 funds for both Workplace and Income Stream superannuation. These ratings include detailed analysis of 330 areas of a superannuation fund's operation and management, giving employers and members an easy-to-use reference for the overall quality of superannuation funds.

Ratings provided by:

1. Morningstar Australasia Pty Ltd (ABN 95 090 665 544, AFSL 240892)
2. Rainmaker Information Ltd (ABN 86 095 610 996)
3. Conexus Financial (ABN 51 120 292 257)
4. SuperRatings Pty Ltd (ABN 95 100 192 283, AFSL 311880)
5. Chant West Pty Ltd (ABN 75 077 595 316, AFSL 255320)

Investing your retirement savings and helping it grow is our number one priority as a super fund. As your super is invested in a range of domestic and international assets it's important to be aware of the key domestic and international forces shaping the economic landscape.

AN UPDATE ON YOUR INVESTMENTS



WILLIAM GRAUS – GENERAL MANAGER, INVESTMENTS

ECONOMIC UPDATE

Over the past 12 months we've seen markets perform strongly, underpinned by both global economic growth and still supportive central bank actions.

Locally, the Reserve Bank of Australia (RBA) has started to revise both growth and inflation targets slightly upwards, which implies an improvement in economic conditions. Business investment was expected to pick up off the back of stronger demand growth and continued reporting of above average business conditions. That said, the RBA and banking sector as a whole remains watchful of the housing market, in particular the Melbourne and Sydney markets.

Commodity prices have risen from the lows, providing a fillip for the domestic economy and our resources exporters. Unemployment continues to trend downwards, however wages growth remains low. Over the year, apart from the decision in August to cut the official interest rates by 0.25%, the RBA has left interest rates on hold at 1.5%. At less than the inflation rate of 1.9% this means a negative real rate of return, which impacts on self-funded retirees.

While on the face of it, the low official cash rate should be good news for those of us with a mortgage, some banks have been increasing rates out of step with

official rates, citing increased funding costs.

While overall it was a good year for markets, there were a number of significant events that did have an impact on returns:

- The fallout from the June 2016 BREXIT referendum in the UK;
- The election of Donald Trump as the 45th President of the United States of America;
- North Korea's ongoing nuclear and ballistic missile testing;
- The intra region issues in the Middle East; and
- The use of Twitter (and other social media) by the elected government to foil the attempted military coup in Turkey.

ENERGY SUPER ACTIVITIES

We're proud of the performance delivered to members over the past year. This was recognised by Chant West, which rated the Fund's Balanced investment option within the top ten performing funds in the country. The returns for each of our diversified, or pre-mixed, investment options were positively impacted on by the strength in share markets (both Australian and International).

Our Australian Shares and International Shares investment options delivered the strongest returns across our various options, with around 15% and 18% respectively. While being a strong contributor to performance, each of our other asset classes also contributed positively to performance.

The Board made a tactical move to sell down a number of non-core property assets, taking advantage of the increasing prices in the property market.

AN OUTLOOK ON THE MARKET

In May, eager to get ahead of the curve, ratings agency S&P downgraded all second tier banks, citing increased risks in domestic property prices. More recently, the RBA referenced a survey by investment banks suggesting that a large number of mortgages sourced through broker channels are less than factual. Residential property prices remain of concern to both the banking sector, its regulator, APRA, and the RBA, each of whom advise that they remain watchful but not alarmed.

The corporate sector continues to show the early signs of confidence, by starting to invest again. The capital expenditure cycle is beginning, reflecting both a slow growth in demand and also the pipeline of public infrastructure activity, which is making its way into the private sector.

Strong commodity prices mean that exports are expected to remain robust and contribute positively to GDP growth over the next 12 months. Our services sector, namely education and tourism, likewise are expected to continue to contribute, especially if the Australian Dollar doesn't continue its current strength, albeit against a weak US Dollar.

Globally, sentiment remains largely supportive of markets. The US Federal Reserve is signalling that it is moving away from the current accommodative monetary policy and starting to unwind its balance sheet and have rates increase to a "more normal level". The European central bank remains on track to continue to accommodate markets, with easy and unconventional monetary policy buying securities from the market to reduce interest rates and put money into the economy.

Reflecting the sum of this, the International Monetary Fund has recently increased its outlook for the global economy.

PERFORMANCE UPDATE

COMPOUND NET EFFECTIVE EARNING RATES*											
INVESTMENT OPTION	COMPOUND RETURNS					ANNUAL CREDITING RATES					
	3 YR % PA	5 YR % PA	10 YR % PA	SINCE INCEPTION	INCEPTION DATE	2017	2016	2015	2014	2013	2012
DEFINED BENEFIT											
Defined Benefit / Three Year Average	10.14	9.55	5.69	7.85	1/07/1995	8.69	9.17	12.62	9.36	7.98	6.13
DEFINED CONTRIBUTION											
Cash Enhanced	2.10	2.57	3.52	3.86	1/03/2002	1.86	2.07	2.38	3.08	3.49	4.25
Stable	5.82	6.84	5.05	5.81	1/02/2000	6.80	4.40	6.29	8.11	8.65	4.57
Capital Managed	6.88	8.52	5.49	6.45	1/02/2000	9.01	4.19	7.50	10.72	11.35	2.91
Balanced	8.55	10.81	5.19	6.66	1/02/2000	11.70	4.54	9.55	13.55	15.04	0.54
MySuper	8.55	-	-	9.09	1/09/2013	11.70	4.54	9.55	-	-	-
Fixed Interest	-	-	-	3.66	1/07/2015	1.48	5.89	-	-	-	-
SRI Balanced	5.58	9.32	-	3.22	24/07/2007	8.41	-0.14	8.73	12.87	17.54	0.47
Growth	9.61	12.43	6.09	7.26	1/02/2000	13.78	4.33	10.96	15.45	18.18	-0.89
Australian Shares	8.09	12.81	4.48	8.35	1/03/2002	15.31	3.65	5.70	17.24	23.41	-8.02
International Shares	11.40	15.65	4.66	4.64	1/03/2002	17.95	-0.87	18.28	20.39	24.32	-2.93
Smoothed Return	10.03	9.44	5.52	6.68	1/07/1999	8.56	9.15	12.46	9.27	7.85	5.95
Capital Guarantee	9.11	8.58	5.45	6.87	1/07/1990	7.56	8.15	11.69	8.50	7.08	5.19
MARKET LINKED PENSION AND INCOME STREAM											
Cash Enhanced	2.55	2.98	4.14	4.57	1/03/2002	2.32	2.45	2.89	3.16	4.12	5.02
Stable	6.42	7.69	5.87	6.74	1/02/2000	7.56	4.81	6.91	9.22	10.04	5.21
Capital Managed	7.54	9.56	6.34	7.42	1/02/2000	9.97	4.63	8.11	11.95	13.35	3.28
Balanced	9.23	11.99	5.82	7.50	1/02/2000	12.88	4.70	10.31	14.84	17.68	0.58
Fixed Interest	-	-	-	4.74	1/07/2015	2.23	7.29	-	-	-	-
SRI Balanced	5.95	10.11	-	3.44	24/07/2007	9.24	-0.57	9.52	13.74	19.66	0.61
Growth	10.43	13.90	6.81	7.94	1/02/2001	15.09	4.44	12.07	17.23	21.44	-1.03
Australian Shares	8.83	14.25	5.28	10.42	1/03/2005	16.70	4.10	6.12	20.20	25.64	-7.79
International Shares	12.02	16.81	4.59	7.61	1/03/2005	19.06	-1.39	19.76	21.06	27.82	-3.28

NET EFFECTIVE EARNING RATE (%)**			
YEAR	DEFINED BENEFIT	SMOOTHED RETURN	CAPITAL GUARANTEE
2017	11.85	11.70	11.70
2016	4.66	4.54	4.54
2015	9.7	9.55	9.55
2014	13.33	13.55	13.55
2013	14.9	15.04	15.04
over 5 yrs	10.82	10.81	10.81
over 10 yrs	5.17	5.19	5.19

*Net effective earning rates are after tax and investment charges and are to 30 June 2017.

**Net effective earning rates are after tax and investment charges and are to 30 June 2017. Information on how crediting rates are calculated is on page 24. Past performance is not indicative of future performance.

Here we explain how Energy Super's Board manages your money, how investments are selected, and the actions that the Board takes to maximise returns and manage risks for each investment option.

HOW WE MANAGE YOUR MONEY

OUR INVESTMENT REVIEW PROCESS

The Board works with the Fund's investment consultant, JANA, to formulate and oversee the investment strategies for each of our investment options. Included in the strategy is the setting of the investment objectives, long-term strategic asset allocations and investment manager's mix.

At each meeting, the Investment Committee reviews the performance of options, asset classes and managers, making changes to these as required. As market conditions dictate or as opportunities present themselves, the Committee may look to approve or make tactical changes to the asset allocations and/or the manager mix in order to either maximise member returns or mitigate risks. On at least an annual basis, the Board undertakes a comprehensive review of the Fund's investment options.

OBJECTIVES

The investment objectives and strategy for each investment option (summarised on pages 17-23) show what each aims to achieve together with industry standard measures on the level of risk involved and its suggested investment timeframe. Where the objective of an investment option is to exceed inflation by a certain level, as measured by the All Groups Consumer Price Index (CPI), it is anticipated that this CPI objective should be achieved over the long term. However, there may be periods when an investment option does not meet its CPI objective, due to the volatile nature of investment markets.

STANDARD RISK MEASURE		
RISK BAND	RISK LEVEL	ESTIMATED NUMBER OF NEGATIVE ANNUAL RETURNS OVER ANY 20 YEAR PERIOD
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

HOW WE MEASURE INVESTMENT RISK

Each of our investment options has a risk band and risk level assigned to them, called the Standard Risk Measure (SRM). These risk bands and risk levels (see above) are based on industry standards and allow you to compare investment options across different super funds.

The SRM does not take into account all forms of investment risk and you should ensure that you understand and feel comfortable with both the risks and potential volatility associated with the investment option(s) that you've chosen.

You can learn more about how the SRM is calculated by visiting the investment and performance page in the Energy Super *Investment Guide* available at energysuper.com.au

SOCIAL RESPONSIBILITY AND VOTING POLICY

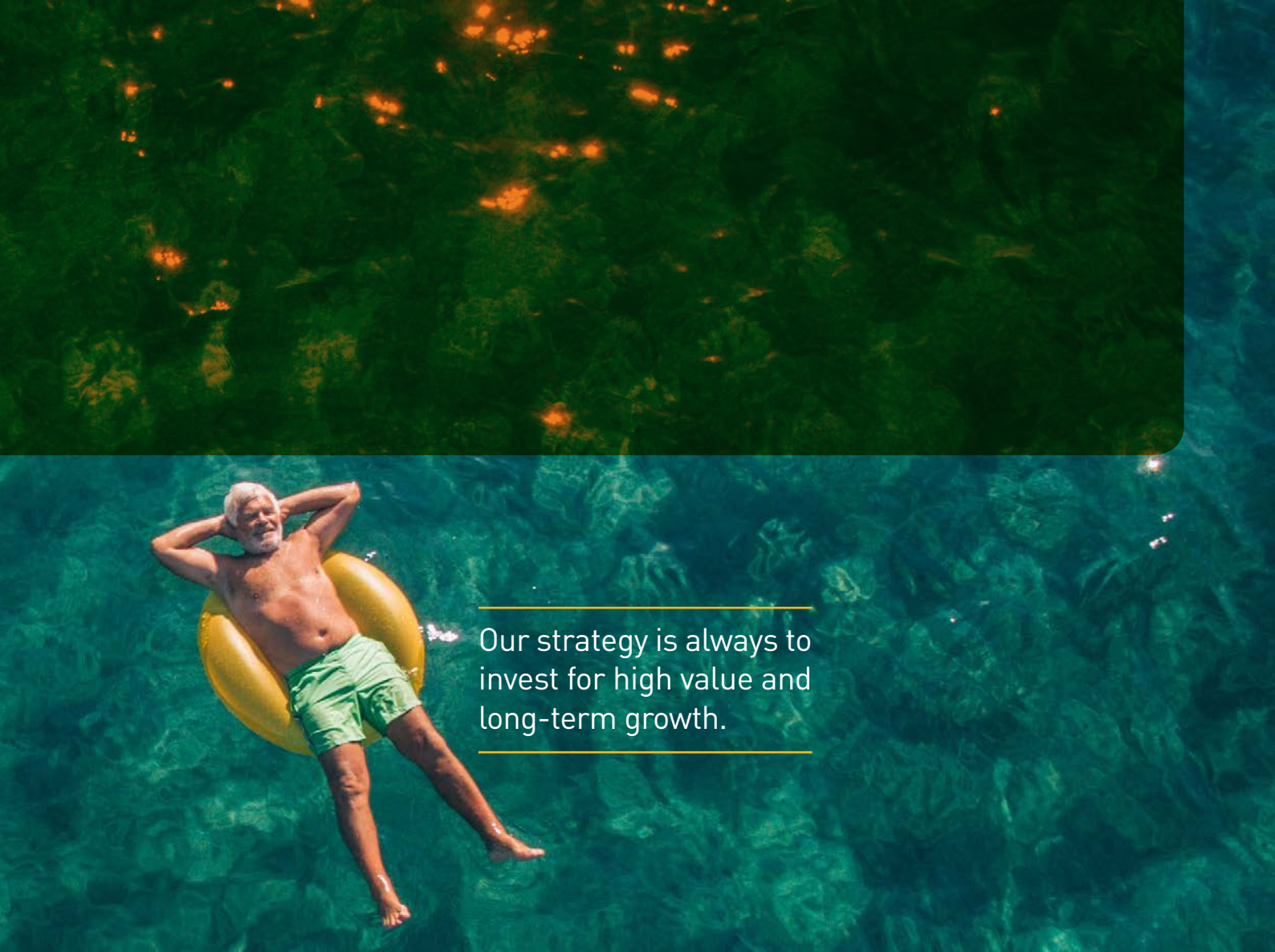
SRI Balanced Option

The SRI Balanced option aims to achieve its investment return objective by investing in companies and investments that demonstrate superior environmental and social practices and offer sustainable products and services, while excluding companies that do not.

The investment option's external manager employs a multi-manager approach, investing in an actively managed diversified portfolio that invests in Australian and International shares, Australian and International property, Australian and International fixed interest and cash investments.

Our Voting Policy

We believe that corporate governance is a pivotal component driving the performance of listed companies, and as such we have a responsibility to represent your best interests when responding to corporate actions that arise from our investments.



Our strategy is always to invest for high value and long-term growth.

For all pooled trust investments, we may influence an investment manager's voting decision but we do not have the authority to vote. For discrete mandates, we reserve the right to vote, and report all voting instructions online at energysuper.com.au under 'Fund Governance'. The Fund's voting policies have been drafted adopting the guiding principles of the Australian Council of Superannuation Investors.

FINANCIAL POSITION OF OUR DEFINED BENEFIT INVESTMENT POOL

An actuarial review determines how much employers must contribute to ensure that the Fund has sufficient assets to pay all future defined benefits entitlements. As at 30 June 2017, the value of the Defined Benefit investment pool attributable to each employer that provides defined benefits was above 100% of the value of defined benefits that would have been payable for that employer's employees. This means that the Fund is in a 'satisfactory financial position' within the meaning of superannuation law.

OUR DERIVATIVES POLICY

The Trustee does not undertake day-to-day management or use of derivative instruments. Some of our external investment managers may use derivatives when managing discrete mandates for us. Likewise, some of the pooled investment vehicles in which we invest may also use derivatives.

The rules and limits for the use of derivatives are detailed in the investment management agreements that we have with our external investment managers.

We consider the risks and controls in place for derivatives by carefully reviewing each investment manager's Derivative Risk Statement (or their attestations and policies) before they are appointed, and discussing their use of derivatives during our regular performance and manager reviews.

Although not required, the Fund continues to provide a Derivatives Risk Statement that outlines the relationship between our overall investment strategy and the use of derivatives.

We monitor the effective exposure that each asset class has by measuring the underlying net exposure of derivatives, including that of futures and options exposures in pooled investment vehicles.

Effective exposure is the sum of the market value of physical assets, the underlying market value represented by futures contracts and the effective exposure derived from options contracts.

WHAT YOU'RE INVESTED IN

Energy Super is the only super fund in Australia that fully discloses the portfolio holdings of its investments.

Visit energysuper.com.au

Australian Financial Review, 23 September 2016.

	DEFINITION	TOP FIVE HOLDINGS
GROWTH ASSETS		
Australian Shares	An investment in part of a company listed on the Australian share market.	Commonwealth Bank of Australia Westpac Banking Corporation BHP Billiton Limited Seek Limited ANZ Bank
International Shares	An investment in part of a company listed on an overseas share market.	Alibaba Group Holding Facebook Inc The Priceline Group Inc Tencent Holdings Ltd Alphabet Inc
Property	Investments in "Retail", "Commercial", "Industrial", or domestic property. Typically the investments are made via "Unlisted Property Trusts", although the Fund may invest in listed property trusts.	Castle Towers Canberra Centre Eastland Robina Town Centre Home Hub Hills
Infrastructure	Investments in ports, airports, roads, hospitals and assets that provide essential services with a community and the economy. Typically this asset class is characterised by lower correlations to other asset classes, and a relatively high inflation-linked cash yield. From time to time the asset class may invest in more growth orientated infrastructure assets which may include the upgrading of facilities or the development of new assets.	Port of Newcastle Queensland Airports Perth Airport Australian Registry Services North Queensland Airports
Growth Alternatives	Investments in domestic and "International Private Equity", "Global Opportunistic Property" and other selected opportunities which are expected to provide or generate returns at or above listed growth assets, but with lower correlations.	Harbour Vest Dover Street VII Hamilton Lane Co Invest Fund II Harbour Vest Co Invest 4 Russell Global Property Sigular Guff Distressed Opportunities
DEFENSIVE ASSETS		
Defensive Alternatives	Investments in high yielding "Fixed Interest Strategies", "Infrastructure Income" and real estate, which is underpinned by long dated leases primarily to government departments and specialist managers who are expected to deliver returns at or above traditional fixed interest investments, but with lower correlations to public market securities [e.g. shares].	33 Charlotte St 54 Mary Street (Education House) 61 Mary St 111 George St US Federal National Mortgage Assn.
Global Fixed Interest	Investments in high quality "Global Fixed Interest Securities" including government bonds, corporate securities/bonds, "Mortgage-Backed Securities", "Macro Strategies", and "Micro Credit Security Strategies". Note that this includes bonds and other securities issued in Australia or denominated in Australian Dollars.	Australian Government Bonds US Federal National Mortgage Assn. Queensland Treasury Corporation US Government Treasury Commonwealth Bank
Cash Enhanced	Investments in high quality domestic cash and cash like securities including "Floating Rate Notes", "Mortgage-Backed Securities", "Promissory Notes", cash at call and cash deposits and term deposits. We note the underlying investments are all made with/in Australian Deposit Taking Institutions only.	ANZ Bank Bank of China Bendigo & Adelaide Bank ME Bank National Australia Bank

The following tables show the investment objectives, minimum suggested investment timeframe, risk level, strategic and actual asset allocations for each of Energy Super's investment options including our Defined Benefit investment pool as at 30 June 2017.

YOUR INVESTMENTS



INVESTMENT OPTIONS	
Single sector options	An investment option that invests in one asset class.
Diversified options	A pre-mixed blend of single sector options to suit different risk and return objectives.
Suggested timeframe	How long you need to invest in an investment option to give it the best chance of meeting its investment return objective.
Risk level	The level of risk taken by an investment option to meet its investment return objective. Generally, the higher the risk, the higher the potential return.
Strategic asset allocation	The mix of assets within each investment option used to meet its investment return objective.
Actual asset allocation	The current mix of assets as at 30 June 2017.

Find out more about our investment options online at energysuper.com.au/investments

Energy Super hosts a range of investment seminars during the year for members across Queensland. Registration is easy. To view the range and book your spot, simply go to energysuper.com.au/seminars



Notes for pages 17-23:
 1. Investment return objectives are not guaranteed to be met.
 2. Inflation is measured by the National Consumer Price Index (CPI).
 3. See Standard Risk Measure on page 12.

FIXED INTEREST

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide a positive return modestly higher than the Cash Enhanced option; and
- Achieve returns (after tax and other costs) over rolling ten years of 1% above inflation.²

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

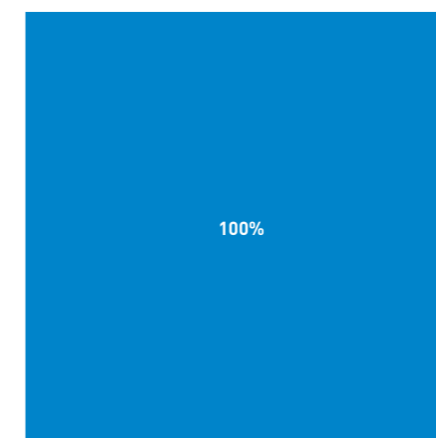
Three years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	-	-	-
International Shares	-	-	-
Property	-	-	-
Growth Alternatives	-	-	-
Infrastructure	-	-	-
TOTAL GROWTH ASSETS	0%	0%	0%
Defensive Alternatives	-	-	-
Global Fixed Interest	100%	100%	-
Cash Enhanced	-	-	-
TOTAL DEFENSIVE ASSETS	100%	100%	0-100%

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



Has this option met its investment objective? **N/A**

CASH ENHANCED

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Achieve returns (after tax and other costs) over rolling ten years of 1% above inflation.²

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

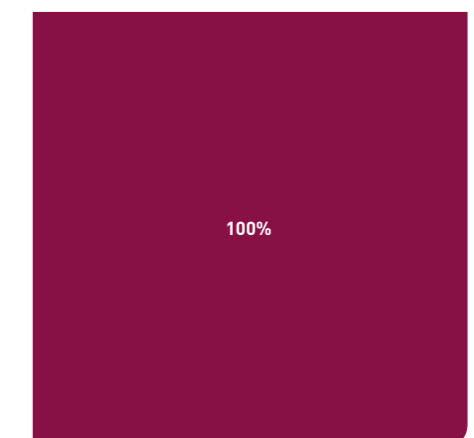
One year

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	-	-	-
International Shares	-	-	-
Property	-	-	-
Growth Alternatives	-	-	-
Infrastructure	-	-	-
TOTAL GROWTH ASSETS	0%	0%	0%
Defensive Alternatives	-	-	-
Global Fixed Interest	-	-	-
Cash Enhanced	100%	100%	0-100%
TOTAL DEFENSIVE ASSETS	100%	100%	0-100%

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



YES This option did meet its investment objective.

YOUR INVESTMENTS

STABLE

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide returns modestly higher than generally associated with cash and fixed interest assets; and
- Achieve returns (after tax and other costs) over rolling ten years of 1.5% above inflation.²

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

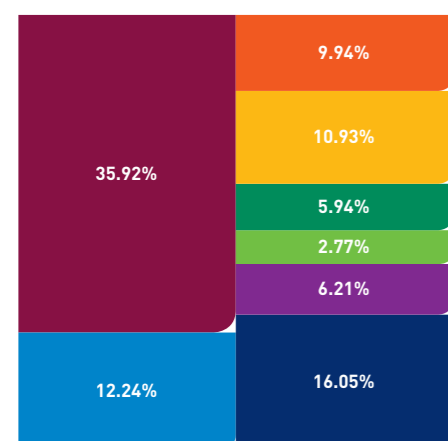
Three years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	10%	10%	0-20%
International Shares	10%	10%	0-20%
Property	5%	5%	0-10%
Growth Alternatives	4%	4%	0-10%
Infrastructure	6%	6%	0-15%
TOTAL GROWTH ASSETS	35%	35%	25-45%
Defensive Alternatives	15%	15%	0-20%
Global Fixed Interest	15%	15%	10-50%
Cash Enhanced	35%	35%	10-50%
TOTAL DEFENSIVE ASSETS	65%	65%	55-75%

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



YES This option did meet its investment objective.

CAPITAL MANAGED

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide returns with some capital growth balanced by other relatively stable returns from Cash and Fixed Interest assets; and
- Achieve returns (after tax and other costs) over rolling ten years of 2% above inflation.²

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

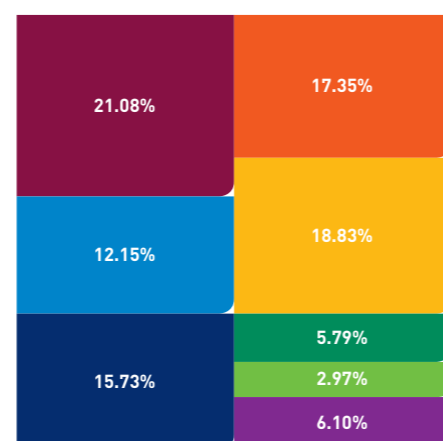
Three years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	18%	18%	10-30%
International Shares	17%	17%	0-25%
Property	5%	5%	0-10%
Growth Alternatives	4%	4%	0-10%
Infrastructure	6%	6%	0-15%
TOTAL GROWTH ASSETS	50%	50%	40-60%
Defensive Alternatives	15%	15%	0-20%
Global Fixed Interest	15%	15%	5-45%
Cash Enhanced	20%	20%	0-40%
TOTAL DEFENSIVE ASSETS	50%	50%	40-60%

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



YES This option did meet its investment objective.

BALANCED

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide higher returns, mainly from capital growth, than the Stable and Capital Managed options; and
- Achieve returns (after tax and other costs) over rolling ten year periods of 3% above inflation.²

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

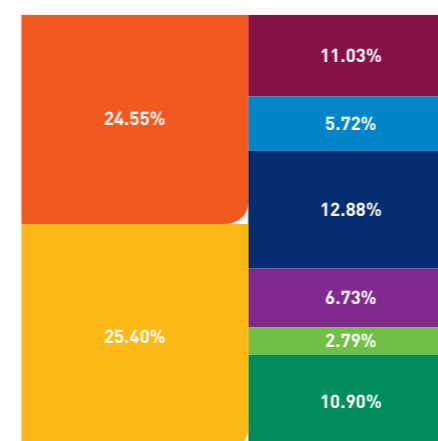
Five years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	25%	25%	20-40%
International Shares	25%	25%	0-30%
Property	10%	10%	0-20%
Growth Alternatives	7%	7%	0-15%
Infrastructure	8%	8%	0-15%
TOTAL GROWTH ASSETS	75%	75%	65-85%
Defensive Alternatives	10%	10%	0-15%
Global Fixed Interest	10%	10%	0-25%
Cash Enhanced	5%	5%	0-20%
TOTAL DEFENSIVE ASSETS	25%	25%	15-35%

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



NO This option did not meet its investment objective.

MYSUPER

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide higher returns, mainly from capital growth, than the Stable and Capital Managed options; and
- Achieve returns (after tax and other costs) over rolling ten year periods of 3% above inflation.²

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

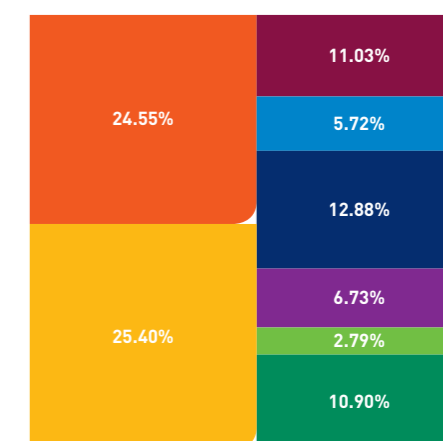
Five years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	25%	25%	20-40%
International Shares	25%	25%	0-30%
Property	10%	10%	0-20%
Growth Alternatives	7%	7%	0-15%
Infrastructure	8%	8%	0-15%
TOTAL GROWTH ASSETS	75%	75%	65-85%
Defensive Alternatives	10%	10%	0-15%
Global Fixed Interest	10%	10%	0-25%
Cash Enhanced	5%	5%	0-20%
TOTAL DEFENSIVE ASSETS	25%	25%	15-35%

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



Has this option met its investment objective? N/A

YOUR INVESTMENTS

SRI BALANCED

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide returns higher than the Stable and Capital Managed options mainly from capital growth; and
- Achieve returns (after tax and other costs) over rolling ten years of 3% above CPI.²

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

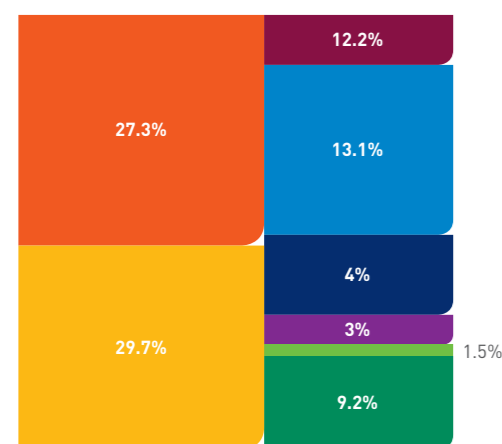
Five years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	28%	30%	20-40%
International Shares	29%	27%	15-42%
Property	9%	9%	0-20%
Growth Alternatives	1%	1%	0-6%
Infrastructure	3%	3%	0-7%
TOTAL GROWTH ASSETS	70%	20%	N/A
Defensive Alternatives	8%	8%	0-15%
Global Fixed Interest	17%	17%	0-30%
Cash Enhanced	5%	5%	0-15%
TOTAL DEFENSIVE ASSETS	31%	31%	N/A

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



NO This option did not meet its investment objective.

GROWTH

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide considerable returns from capital growth; and
- Achieve returns (after tax and other costs) over rolling ten years of 3.5% above inflation.²

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

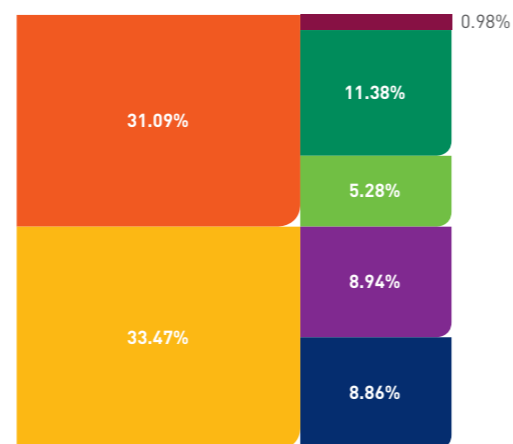
Seven years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	32%	32%	15-45%
International Shares	33%	33%	0-40%
Property	10%	10%	0-20%
Growth Alternatives	7%	7%	0-15%
Infrastructure	8%	8%	0-15%
TOTAL GROWTH ASSETS	90%	90%	80-100%
Defensive Alternatives	5%	5%	0-10%
Global Fixed Interest	0%	0%	0-10%
Cash Enhanced	5%	5%	0-10%
TOTAL DEFENSIVE ASSETS	10%	10%	0-20%

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



YES This option did meet its investment objective.

AUSTRALIAN SHARES

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide considerable returns from capital growth; and
- Achieve returns (after tax and other costs) over rolling ten years of 3.5% above inflation.²

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

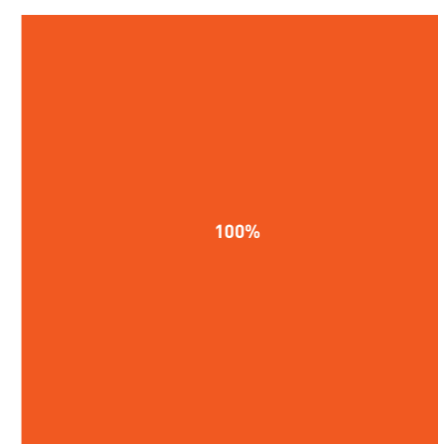
Ten years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	100%	100%	90-100%
International Shares	-	-	-
Property	-	-	-
Growth Alternatives	-	-	-
Infrastructure	-	-	-
TOTAL GROWTH ASSETS	100%	100%	90-100%
Defensive Alternatives	-	-	-
Global Fixed Interest	-	-	-
Cash Enhanced	-	-	-
TOTAL DEFENSIVE ASSETS	0%	0%	0-10%

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



NO This option did not meet its investment objective.

INTERNATIONAL SHARES

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide considerable returns from capital growth; and
- Achieve returns (after tax and other costs) over rolling ten years of 3.5% above inflation.

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

Ten years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	-	-	-
International Shares	100%	100%	90-100%
Property	-	-	-
Growth Alternatives	-	-	-
Infrastructure	-	-	-
TOTAL GROWTH ASSETS	100%	100%	90-100%
Defensive Alternatives	-	-	-
Global Fixed Interest	-	-	-
Cash Enhanced	-	-	-
TOTAL DEFENSIVE ASSETS	0%	0%	0-10%

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



NO This option did not meet its investment objective.

YOUR INVESTMENTS

SMOOTHED RETURN (DEFINED CONTRIBUTION ONLY)

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide a return similar to the Balanced investment option but smoothed by movements to and from the reserve; and
- Achieve returns (after tax and other costs) over rolling ten year periods of 2% above inflation².

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

Five years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

HOW THE CREDITING RATE IS CALCULATED

The Smoothed Return investment option crediting rate is calculated by averaging the net effective earning rates of the Balanced investment option for the last three financial years. This average is then adjusted to maintain the reserves required for the smoothing process. In years where investment performance is good, the crediting rate may be lower than actual earnings. Conversely, in years where investment performance is lower, the crediting rate may be higher than actual earnings. By smoothing the crediting rates, the variations in investment performance are averaged over a longer period. The reserves for smoothing of returns are supported by employers who offer the Smoothed Return investment option to their employees.

IMPORTANT INFORMATION

This investment option has been made available to some employees of employers with agreement of the Trustee. Only contributions paid by these employers can be invested in this option. You cannot choose to invest your rollovers or lump sum contributions in this option, nor can you switch existing balances to it. If you switch to another option, you cannot transfer your money back to the Smoothed Return investment option. If you leave your employer, the treatment of your Smoothed Return investment amount will depend on your circumstances. Contact Energy Super for more information.

CAPITAL GUARANTEE (DEFINED CONTRIBUTION ONLY)

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide a return up to the Defined Benefit investment pool return less 1% but not less than zero; and
- Achieve returns (after tax and other costs) over rolling 10 year periods of 2% above inflation².

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

Five years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

HOW THE CREDITING RATE IS CALCULATED

The crediting policy applied to the Capital Guarantee investment option is designed to protect your investment from negative returns from one year to the next by first applying a "smoothing" factor to net earnings of the Balanced investment option. Smoothing of the earnings is achieved by (each year) calculating net effective earnings averaged over the past three financial years, and then discounting the result by a factor, as advised by the Fund Actuary, to maintain enough reserves to support the guarantee. The return is guaranteed such that it cannot be less than zero. Reserves for the Capital Guarantee investment option are supported by employers who offer the Capital Guarantee investment option to their employees.

IMPORTANT INFORMATION

This investment option has been made available to some employees of some employers with agreement of the Trustee. Only contributions paid by these employers can be invested in this option. It is closed to new members. If you have an amount in the Capital Guarantee investment option you cannot choose to invest your rollovers or lump sum contributions in this option, nor can you switch other existing balances to it. If you switch to another option, you cannot transfer your money back to the Capital Guarantee investment option. If you leave your employer, the treatment of your Capital Guarantee amount will depend on your circumstances. Contact Energy Super for more information.

DEFINED BENEFIT

INVESTMENT RETURN OBJECTIVES¹

This option aims to:

- Provide higher returns, mainly from capital growth, than the Stable and Capital Managed options; and
- Achieve returns (after tax and other costs) over rolling ten year periods of 3% above inflation².

MINIMUM SUGGESTED INVESTMENT TIMEFRAME

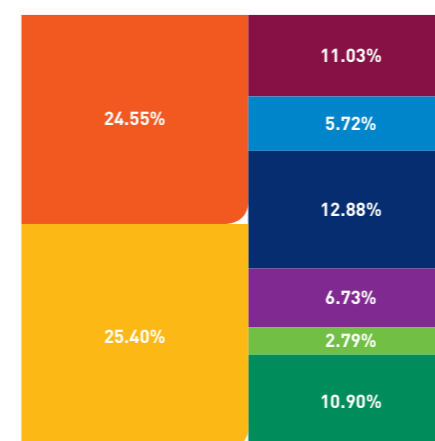
Five years

RISK LEVEL³ LOW 1 2 3 4 5 6 7 HIGH

STRATEGIC ASSET ALLOCATION

ASSET CLASS	YEAR ENDED 30 JUNE '17	YEAR ENDED 30 JUNE '16	RANGE
Australian Shares	25%	25%	20-40%
International Shares	25%	25%	0-30%
Property	10%	10%	0-20%
Growth Alternatives	7%	7%	0-15%
Infrastructure	8%	8%	0-15%
TOTAL GROWTH ASSETS	75%	75%	65-85%
Defensive Alternatives	10%	10%	0-15%
Global Fixed Interest	10%	10%	0-25%
Cash Enhanced	5%	5%	0-20%
TOTAL DEFENSIVE ASSETS	25%	25%	15-35%

ACTUAL ASSET ALLOCATION AS AT 30 JUNE 2017



NO This option did not meet its investment objective.



CREDITING RATES & UNIT PRICES

ACCUMULATION OR DEFINED CONTRIBUTION ACCOUNTS

CREDITING RATES

Crediting rates, which fluctuate throughout the year in line with investment market movements, are calculated daily and all earnings are paid to your account on 30 June each year.

Crediting rates for investment options are generally equal to the investment earning rate of the investment option, less tax and other management costs. The exceptions to this are the Defined Benefit/Three Year Average, Smoothed Return investment option and the Capital Guarantee investment option. Information on how crediting rates for these options are calculated are explained below.

DEFINED BENEFIT

The Defined Benefit investment pool crediting rate is calculated by averaging the net effective earning rates for the last three years (subject to any adjustments the Trustee considers appropriate having regard to the financial position of the pool). The crediting rate policy may be changed from time to time.

SMOOTHED RETURN

The Smoothed Return investment option crediting rate is calculated by averaging the net effective earning rates of the Balanced investment option for the last three financial years. This average is then adjusted to maintain the reserves required for the smoothing process. In years where investment performance is good, the crediting rate may be lower than actual earnings. Conversely, in years where investment performance is lower, the crediting rate may be higher than actual earnings.

By smoothing the crediting rates, the variations in investment performance are averaged over a longer period.

The reserves for smoothing of returns are supported by employers who offer the Smoothed Return investment option to their employees.

CAPITAL GUARANTEE

The crediting policy applied to the Capital Guarantee investment option is designed to protect your investment from negative returns from one year to the next by first applying a "smoothing" factor to net earnings of the Balanced investment option. Smoothing of the earnings is achieved by (each year) calculating net effective earnings averaged over the past three financial years, and then discounting the result by a factor, as advised by the Fund Actuary, to maintain enough reserves to support the guarantee. The return is guaranteed such that it cannot be less than zero. Reserves for the Capital Guarantee investment option are supported by employers who offer the Capital Guarantee investment option to their employees.

Tax on investment earnings

Investment earnings on all Defined Contribution accounts are taxed at up to 15%.

HOW UNIT PRICES ARE CALCULATED – MARKET LINKED PENSION AND INCOME STREAM ACCOUNTS

Unit prices for Market Linked Pension and Income Stream investment options are calculated daily and reflect the value of each option's assets for that day, less tax and other management costs.

You can work out the value of your super by multiplying the number of units you have in each option by the unit price for that day. Between any two periods in time the change in unit price can be calculated and expressed as a percentage.

You can find the latest unit prices on our website at energysuper.com.au

Tax on investment earnings

Investment earnings on all Defined Contribution accounts are taxed at up to 15%, while there is no tax on investment earnings from Market Linked Pension or Income Stream accounts.

That's why the after-tax investment returns of Market Linked Pension and Income Stream investment options will be slightly different to the after-tax investment returns of equivalent Defined Contribution investment options.

We encourage you to take an active role in making decisions about your super so you can achieve the best retirement outcome possible. Here you'll learn more about some of the factors that you should consider in managing your super.

MANAGING YOUR SUPER

IMPROVE YOUR UNDERSTANDING AND TAKE CONTROL

With the right knowledge about wealth and super you're in a better position to make informed and financially sound decisions about your retirement. We have a range of tools, advice and services at energysuper.com.au to help you educate yourself, including calculators, fact sheets and videos. You can also register for a webinar or seminar.

CONSOLIDATE YOUR ACCOUNTS

Combining your super into one account makes it easier to keep track of your super and could save you money as you'll only be paying one set of administration fees. If you think you might have an account left behind at an old super fund somewhere, it could pay to search for it. You can simply log into your secure Member Online account and use the Dashboard Search for My Super feature to locate any super funds in your name.

Please check with other funds about exit or withdrawal fees or whether you'll have any loss of services or benefits such as insurance, before you rollover your super.

BENEFICIARY NOMINATIONS

To ensure your death benefit is paid the way you want, you may make your wishes known to us with a binding death benefit nomination. You'll need to make sure it's valid and up to date, as changes in your circumstances such as marriage, divorce or the birth of a child may affect the validity of your nomination. Binding nominations expire after three years, unless you make a non-lapsing nomination. Non-lapsing nominations won't expire after three years, but they do become invalid under more circumstances than binding nominations.

Your Annual Statement will show details of your nomination (if any) and its expiry date if it is a binding nomination. To renew, change or cancel your nomination, simply complete the relevant nomination form available under the Forms and Tools section on our website at energysuper.com.au

For more information on beneficiary nominations and death benefits, please refer to our *What happens to my super when I die Guide* or call us on **1300 4 ENERGY** (1300 436 374).

INVESTMENT OPTIONS

The choices you make about how your super is invested can make a significant difference to your retirement. It is vital that you choose an investment option that suits your age, income and attitude to risk. We offer 10 investment options for both accumulation and income stream members (summarised on pages 17-23) that have different objectives and strategies and therefore provide different risk levels and returns. It's important that you remain an active investor and spend some time checking your investment options.

SWITCHING

You can switch your investment options, future contribution/rollover investment allocation, or a combination of both, at any time.

Investment switching is free if you make your switch online through your Member Online account. If the switch is made using a *Change of Investment Choice* Form, your first investment switch each financial year is free. Additional investment switches will cost \$28, and this will be deducted from your Energy Super account.

INVESTMENT ADVICE

Before you change your investment options or make any other decisions about your super, we strongly recommend that you seek expert financial advice. Our financial advisers can help you to select the most appropriate investment option for your individual circumstances.

One of the best ways to stay on top of your super is to have a secure Member Online account. You'll be able to view and change a range of account details, make investment switches and check on your insurance cover. Register or log in at energysuper.com.au/login or call us on **1300 4 ENERGY** (1300 436 374).



The loss of part of your income because of an unforeseen injury or illness can have a huge impact on your ability to meet everyday living expenses. Regardless of your award, salary or age, everyone may need a safety net if something were to happen.

YOUR INSURANCE

We've successfully processed 100% of our Death claims and 91% of our Income Protection claims.

Your super is just one step towards securing your financial future. It's also important to have the right level of insurance so you and your loved ones are properly protected in case the unexpected happens.

INSURANCE COVER WITH ENERGY SUPER

We continue to offer convenient, low-cost insurance including cover for:

- **Total and Permanent Disablement (TPD)**, where you receive a lump sum if you're totally and permanently unable to work;
- **Death**, where you receive a lump sum if you have a terminal illness, or where a lump sum is paid to your beneficiaries when you die;

- **Standard Income Protection**, (up to two years), where you can be paid the lesser of 90% of your income or the level of cover you received automatically or applied for, for the first 120 days of your benefit period. Then, for the remainder of your benefit period, the weekly benefit is the lesser of 80% of your income or the level of cover you received automatically or applied for. A superannuation benefit is also payable into your Energy Super account equal to the lesser of 10% of income or 10% of the benefit level for which you are insured; and
- **Extended Income Protection**, Energy Super gives you the flexibility to apply for additional IP cover to provide a monthly benefit with a payment period up to age 65.

We work very closely with our insurers (MLC Limited and Beazley Australia) to ensure we can provide insurance that is affordable, provides reasonable levels of cover and has an easy claims process.

Please note that exclusions may apply and you may not be covered in all circumstances. See the *Insurance Guide* applicable to your membership for details.

DO YOU HAVE ENOUGH INSURANCE?

As a member of Energy Super, you may have received a certain level of insurance cover automatically when you joined, however, this may not be enough for your individual circumstances.

That's why it's important to review your insurance cover. Simply phone us on **1300 4 ENERGY** (1300 436 374). We can offer advice on your insurance needs at no extra cost.

Learn more about your insurance cover options at energysuper.com.au/insurance



Our vision is to educate and empower our members so that they are better placed to take control of their financial future.

LEARNING ABOUT SUPER

We're driven to make sure that you're educated about wealth and super so you can make informed decisions and achieve your retirement goals. Your super is important – whether it be for insuring your income now or providing income in retirement, so it's important to get it right.

We believe that it's important for you to have the knowledge to:

- Make the right investment decisions;
- Have the appropriate insurance cover;
- Know when to review investment decisions and insurance cover throughout your life;
- Identify when to ask for support; and
- Know good advice from bad.

GET SUPER SMART WITH ENERGY SUPER

We are continually looking at innovative ways to help you learn more about super. We have a range of information, tools and services on our website energysuper.com.au

These include:

- **Latest news** – access a range of articles and releases including latest news, changes to super and lifestyle. Visit news.energysuper.com.au
- **Videos** – hear from our experts on a range of topics. You can also subscribe to our YouTube Channel so you will know when we add new topics.
- **Webinars** – view a range of webinars in your own time.
- **Seminars** – view our seminar schedule, topics and register online.



ATTEND A SEMINAR

We run a regular seminar series for our members. Our regular education seminars are conducted by our experienced team and cover a range of superannuation and wealth topics such as planning for retirement, estate planning, maximising retirement income and Centrelink entitlements. In response to member feedback we have introduced new topics such as the Global and Australian economic outlook which is co-presented by guest speakers from a variety of Energy Super's investment fund managers.

WE'RE HERE TO HELP

Our dedicated team of financial advisers can help you with the information and advice you need to secure your financial future. Whether you have a simple question about your super or would like a tailored financial plan, we can help you. As an Energy Super member, you can access:

- **Single-issue advice** – personal advice about your Energy Super account in regards to a single issue or topic including investment choice, insurance, and contribution strategies. This advice is given over the phone at no additional charge.
- **Comprehensive advice** – personal advice, usually conducted face-to-face, that can cover your entire financial situation including non Energy Super solutions. A fee is charged for this level of advice.

To book an appointment, simply phone us on **1300 4 ENERGY** (1300 436 374).



The Board is responsible for setting and monitoring the strategic direction and performance of the Fund. The Board also oversees the management of risk and compliance with governance obligations, regulatory requirements and ethical standards. Presenting our Board as at 30 June 2017.

OUR BOARD

MEMBER REPRESENTATIVE DIRECTORS



SCOTT WILSON – DEPUTY CHAIR

Appointed: 01/12/2011 – Current

Nominated by: Electrical Trades Union (ETU)

Qualifications: Dip OHS, Cert IV TAA, RG146 for Superannuation, GAIST

Appointed as Member Representative Director of ESIS(Q) in December 2011. Since December 2014, Scott has been Deputy Chair of ESIS(Q) and a member of the Governance, Remuneration and Nomination Committee. Scott is also a Chair of the Member Services and Marketing Committee.

Since starting an electrical fitter mechanics apprenticeship in 1982, Scott has worked extensively in the electrical construction and service industry, both in Australia and overseas. Scott is the training officer for the Queensland Nurses Union and the Electrical Trades Union, where he researches, writes, delivers and accesses a variety of training in OHS, industrial relations and trade skills.

Other boards served on as at 30 June 2017:

- Director & Chair, ESI Financial Services Pty Ltd



DAVID SMITH

Appointed: 01/12/2007 – Current

Nominated by: Australian Services Union

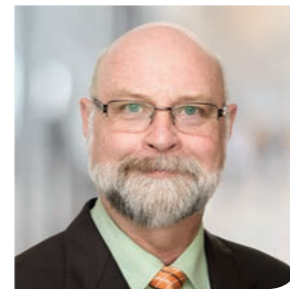
Qualifications: Diploma of Financial Services (Superannuation), ASFA Accredited Investment Fiduciary, RG146 for Superannuation

Appointed as Member Representative Director of ESIS(Q) in December 2007, David is also the Chair of Energy Super's Governance, Remuneration and Nomination Committee and the Insurance and Claims Committee.

David is the National Secretary for the Australian Services Union and has been representing members in local government, energy, rail, port authorities, and social and community services for more than 18 years.

Other boards served on as at 30 June 2017:

- President, Australian Institute of Superannuation Trustees



PETER DUFFY

Appointed: 1/04/2016 – 31/07/2017

Nominated by: Australian Services Union

Qualifications: Bachelor of Business (majoring in economics and data processing)

Appointed as Member Representative Director of ESIS(Q) on 1 April 2016. Peter is on Energy Super's Audit, Risk and Compliance Committee, and Insurance and Claims Committee.

Peter has almost four decades of administration experience in the Queensland electricity supply industry, most recently as a procurement and compliance support specialist at Energex. His expertise spans designing, testing and implementing business process solutions, including managing governance, compliance, safety, quality and environment issues. Peter has previously worked at the North Queensland Electricity Board and Capricornia Electricity Board.

Peter is the current Treasurer of The Services Union, Queensland Branch.

Other boards served on as at 30 June 2017:

- N/A



NEISHA TRILL

Appointed: 28/02/2017 – Current

Nominated by: Electrical Trades Union (ETU)

Qualifications: GAIST, Justice of the Peace

Neisha has worked for the ETU in various roles since 2005 and is currently an Industrial Officer. She is undertaking a Bachelor of Laws undergraduate study. Neisha is a member of the Insurance and Claims Committee and the Member Services and Marketing Committee.

Other boards served on as at 30 June 2017:

- N/A



MARK WILLIAMSON – CHAIR

Appointed: 01/12/2011 – Current

Nominated by: Generators and Powerlink

Qualifications: MAICD, Associate Diploma in Industrial Engineering, RG146 for Superannuation

Mark was appointed as Employer Director of ESIS(Q) in December 2011 and appointed as Chair of ESIS(Q) in 2014. Mark is a member of Energy Super's Member Services and Marketing Committee, and the Governance, Remuneration and Nomination Committee.

Mark is an experienced director who has served on the boards of a number of leading Australian companies, as well as holding senior executive roles in the electricity, IT, telecommunications and airline industries, both within Australia and overseas.

Other boards served on as at 30 June 2017:

- Director, CS Energy Ltd
- Managing Director, Transmax Pty Ltd
- Director, ESI Financial Services Pty Ltd



PETER SCOTT

Appointed: 01/04/2017 – Current

Nominated by: Energy Queensland Limited

Qualifications: Master of Business Administration, Fellow of CPA, Master of Professional Accounting, Bachelor of Business

Peter has extensive experience in leading businesses, asset management and financial leadership. He is the Chief Financial Officer of Energy Queensland and formerly the Chief Financial Officer of Energex and Seqwater and has held other senior executive roles. Peter is the Chair of the Audit, Compliance & Risk Committee.

Other boards served on as at 30 June 2017:

- Director, Energex Limited
- Director, Metering Dynamics Business Support Pty Ltd
- Director, Ergon Energy Telecommunications Pty Ltd
- Director, Ergon Energy Corporation Limited
- Director, Energy Impact Pty Ltd
- Director, SPARQ Solutions Pty Ltd
- Director, Varnsdorf Pty Ltd
- Director, VH Operations Pty Ltd

OUR BOARD



RICHARD FLANAGAN

Appointed: 23/02/2016 – Current

Nominated by: Master Electricians Australia

Qualifications: Certificate IV Trainer, Electrical Contractors Licence, Advanced Electronics, Technical Trade

Appointed as Employer Representative in February 2016, Richard is on the Energy Super's Audit, Risk and Compliance Committee, and the Insurance and Claims Committee.

Richard has more than 45 years' experience in the energy industry, having been the Managing Director of his own successful electrical engineering and contracting company since 1987. He was President of the Electrical Contractors Association from 2009 to 2015 and Chair of the Master Electricians Association (MEA) Board from 2012 to 2015.

Other boards served on as at 30 June 2017:

- Director, Joint Industry Training Company (JETCO)
- Director, Contracting Industry Redundancy Trust (CIRT)
- Director, Master Electricians Association



TERESA DYSON

Appointed: 01/07/2017 – Current

Nominated by: Energy Queensland Limited

Qualifications: Master of Applied Finance, Master of Taxation, Bachelor of Laws, Bachelor of Arts

Teresa has a broad range of experience in financial services, transport services, infrastructure projects, and the energy and resources industry. She is a legal consultant at McCullough Robertson and formerly a Partner at Deloitte and Ashurst. Teresa is also a member of the Audit, Compliance & Risk Committee, and the Member Services & Marketing Committee.

Other boards served on as at 30 June 2017:

- Director, Energy Queensland Limited
- Deputy Chair, Gold Coast Hospital and Health Board
- Board member, UN Women National Committee Australia Limited
- Board member, Opera Queensland Limited
- Director, Foundation for Alcohol Research & Education Limited
- Chairman, Law Council of Australia, Business Law Section

INDEPENDENT DIRECTOR



CHRISTINE MAHER

Appointed: 31/03/2015 – Current

Nominated by: Energy Super Board

Qualifications: BA LLB (Hons), MAICD

Christine has participated at the highest level in the development of Australia's financial services legislation through her participation in the Association of Superannuation Funds of Australia (ASFA) and the Law Council of Australia's Superannuation Committee.

Christine is a consultant at Corrs Chambers Westgarth and has over 25 years' experience in advising superannuation funds and financial institutions. She brings superannuation, financial services, corporate governance and risk management experience to the Board. Christine is a former director of ASFA and Suncorp Insurance and Finance, and a former Board member of QSuper. She is also a member of the Fund's Audit, Compliance and Risk Committee, Insurance and Claims Committee, and the Governance, Remuneration and Nomination Committee.

Other boards served on as at 30 June 2017:

- Director, Gregory Terrace Foundation
- Director, Archdiocesan Development Fund

Our long-term objective – and our reason for being – is to partner with our members to maximise their retirement savings and help them reach their retirement goals by investing strategically and providing value-for-money products and services.

DIRECTORS' UPDATE

The 2016/17 financial year proved to be another strong period for investment markets. Energy Super's performance has supported members' retirement outcomes, while a focus on governance, relationships and digital solutions is providing the platform for the future.

Let's start with our Board.

BOARD CHANGES

We're fortunate to have a cohesive Board that provides support and expertise on the direction of the Fund, and we have seen some changes to the Board that has increased our diversity.

In this financial year we farewelled John Geldard, a Director who has been on our Board for over 10 years, and we wish to thank him for his contributions. We also said farewell to Clive Skarrott, Peter Duffy and Peter Simpson – also experienced directors who've made significant contributions to the success of the Fund.

In their place we welcomed Peter Scott, Neisha Traill, Teresa Dyson and Jen Thomas, the latter joining us on 1 October 2017. These new directors bring the percentage of females on the Board to 44%, a figure we are very proud of.

As a Board, we have continued to review our governance and introduced a number of enhancements, including gender diversity, fit-and-proper requirements, analysis of future skills requirements and the nomination process. While we have a number of our policies online, we will enhance our transparency further in 2017/18 to ensure members have increased access to these processes.

OUR TEAM HAS GROWN AGAIN

In the last financial year we made further changes to our organisational structure and hired new skills from both within the industry and without. Our team continues to expand, this time with a focus on member engagement and delivery, governance and partnerships. We welcome the new additions to our team,

and know they will support our members well.

MORE LEGISLATIVE CHANGE

We responded to a large number of legislative and regulatory changes, including the 2016 Budget Super Reforms, APRA data and other reporting requirements, enhanced Prudential Standards and numerous responses to a large number of Government consultations. This is a labour-intensive fact of life in our highly regulated industry.

OUR OBJECTIVES AND STRATEGY

In spite of all these changes, we continue to deliver on our strategy, which is set on a three-year cycle with an annual review.

Our short-term objectives, which guide our strategy, broadly focus on:

- Growing the Fund through investment performance and membership so we can maintain our value-for-money proposition and performance. During the year, our fund grew by 11.3% and our investment performance remained in the top performing funds in Australia.
- Retention through member satisfaction and product offerings that meet the needs of our members. We worked hard on improving our service delivery by enhancing our contact centre skills and services, and extending our reach into Townsville, Gladstone and Western Australia. We halved our indirect administration fee cap and we overhauled our insurance claims process. We also implemented initiatives to improve our phone and online transaction services, as well as our seminars and communications.
- Technological solutions that aim to create efficiencies that optimise our members' experience and satisfaction. We have implemented electronic communications, online join and rollin tools, new website platforms and increased our cyber security

significantly to ensure we protect members' data and privacy.

The strategy, agreed by the Board continues to focus on:

- Investment performance – We continue to watch the evolving landscape so we can take advantage of opportunities as well as protect the Fund from risks. We do this through tactical asset allocation tilts and cash flow management.
- Growth – Primarily we aim to grow so we can maintain low fees while increasing our product and service offering. The Fund is looking at organic growth within the existing membership as well as alliances to look for wider growth opportunities in the sector.
- Technology platforms for the future – Technology is an enabler that is now both affordable and reliable. We are focused on building a platform that allows for a two-way flow of information – one that delivers an increased level of member service that is both efficient and cost-effective.
- Member satisfaction and retention – The key focus is to support our members when they need us. This includes looking at ways to increase the ease of transacting, by providing access to information and relevant advice, and by offering products and services that add real value. Building relationships with our members and supporting their personal goals is a fundamental strategy for the Fund.
- Governance – Protecting members' retirement savings through sound governance remains a focus. The Fund has developed a number of frameworks covering risk, board governance, investment governance, compliance, financial management, insurance and operational governance, and will continue to monitor the business as it grows and the surrounding environment changes.

We believe corporate governance is vital to our success – it forms part of everything we do. The Board values: honesty and integrity, respect for people, service excellence, recognition as a leading superannuation fund, and best practice in governance.

OUR BOARD

MEETING ATTENDANCE

MEETING ATTENDANCE													
BOARD	AUDIT, COMPLIANCE & RISK COMMITTEE		INVESTMENT COMMITTEE		MEMBER SERVICES & MARKETING COMMITTEE		REMUNERATION & GOVERNANCE COMMITTEE		INSURANCE & CLAIMS COMMITTEE				
	E*	A^	E*	A^	E*	A^	E*	A^	E*	A^			
Mark Williamson	11	11	0	0	11	11	5	5	4	1	0	0	
David Smith	11	11	0	0	11	11	3	3	4	3	4	3	
John Geldard	10	10	4	4	10	10	0	0	0	0	0	0	
Scott Wilson	11	11	0	0	11	11	5	5	4	4	0	0	
Peter Simpson#	6	1	0	0	6	1	3	0	0	0	2	1	
Christine Maher	11	11	4	4	11	11	0	0	4	4	2	2	
Richard Flanagan	11	10	4	4	11	10	2	2	0	0	4	4	
Clive Skarott	9	7	3	3	9	7	0	0	0	0	1	1	
Peter Duffy	11	8	4	4	11	8	0	0	0	0	2	1	
Neisha Traill	5	5	0	0	5	5	2	2	0	0	1	1	
Peter Scott	2	2	0	0	2	2	0	0	0	0	0	0	

* E = Eligible to attend. ^ A = Attended. #Peter Simpson was granted a leave of absence due to medical grounds.

MANAGING RISK

Energy Super's risk governance framework covers stakeholders across the Energy Super business and our material service providers. Risk is managed by the Audit, Compliance and Risk Committee (ACRC) and the Board. Both the ACRC and the Board also oversee the Risk Management Framework implemented by management.

The Board is responsible for aligning the Fund's strategic plan and associated risks. It's also responsible for overseeing a framework for managing and monitoring risk at an operational level and identifying new and emerging risks.

Management and the ACRC are responsible for implementing procedures for identifying and managing risks within each business unit, and for designing and implementing robust internal controls.

Management and Internal and External Audit regularly test how risks are managed within the business and report the results to the Energy Super Board.

HOW CONFLICTS OF INTEREST ARE MANAGED

We are committed to always being impartial and fair in our dealings with members, employers, service providers, regulators, sponsors and the general public. Their trust, confidence and support of our goals and objectives are vital if we are to be successful.

We encourage all our employees to raise potential conflicts of interest as soon as they are aware that one may exist, with all discussions about potential conflicts of interest being minuted.

All actual and potential conflicts of interest are either avoided or, where they cannot be avoided, managed through a combination of internal controls and appropriate disclosure, which includes them being recorded on the relevant compliance register.

TRUSTEE

Energy Super is managed by a trustee company called Electricity Supply Industry Superannuation (Qld) Ltd (ABN 30 069 634 439, AFSL 336537).

The Trustee is responsible for managing Energy Super for the benefit of all members, in accordance with the Trust Deed and relevant legislation.

As at 30 June 2017, the Trustee had eight directors:

- Three employer representative directors appointed by our participating employer organisations;
- Four member representative directors nominated by the Australian Services Union and the Electrical Trades Union;
- One independent director; and
- One vacant employer representative director, which has been filled effective 1 July 2017.

To ensure all views and ideas of employers and members are heard equally, the Trustee will continue to maintain equal numbers of Employer and Member Representatives.

TRUST DEED

The Trust Deed is the legal document that sets out the rights and duties of the Trustee, the participating employers and members, and the rules for payment of benefits to members.

The Trust Deed can be amended by the Trustee when necessary. There were no amendments made to the Trust Deed during the 2016/17 year.

You can find our Trust Deed on our website at energysuper.com.au/why-join-us/about-our-fund/fund-governance

SERVICE PROVIDERS

We outsource a range of specialist activities to various service providers.

All outsourcing arrangements are subject to appropriate due diligence and approval, as part of our risk management framework, to ensure that we achieve the best outcome for the Fund.

We manage and monitor all our external service providers on a regular basis to ensure that their performance continues to meet our strategic and risk management objectives.

TRUSTEE LIABILITY INSURANCE

The Trustee has implemented a comprehensive insurance program, which includes Trustee liability and professional indemnity insurance policies. This program is designed to protect the trustee and the Fund from some of the financial risks.

SERVICE PROVIDERS

Administration
Independent Fund Administrators and Advisers Pty Ltd
ABN 28 081 966 243 AFSL 238507

Auditor (Internal)
Deloitte
ABN 74 490 121 060

Auditor (External)
BDO Kendalls
ABN 70 202 702 402

Banking
National Australia Bank Ltd
ABN 12 004 044 937

Custodian
National Australia Bank Ltd
ABN 12 004 044 937

Fund Management and Financial Advice
ESI Financial Services Pty Ltd
ABN 93 101 428 782
AFSL 224952

Investment Consulting
JANA Investment Advisers Pty Ltd
ABN 97 006 717 568
AFSL 230693

Insurance
MLC Limited
ABN 90 000 000 402
AFSL 230694

Beazley Underwriting Pty Ltd
ABN 88 096 636 412
AFSL 289089

Legal
Corrs Chambers Westgarth
ABN 89 690 832 091

Minter Ellison
ABN 99 009 717 391

DLA Piper Australia
ABN 83 508 451 308

Tax
KPMG
ABN 51 194 660 183



COMMITTEES OF THE BOARD

AUDIT, COMPLIANCE AND RISK COMMITTEE

Energy Super has an established governance and risk framework of which the Audit, Compliance and Risk Committee is an integral part.

The Committee assumes important responsibilities on behalf of the Energy Super Board and operates under a Charter which identifies their obligations across the following areas:

- Financial and other reporting;
- Systems of internal controls;
- Risk management;
- Internal and external audit and assurance; and
- Compliance and risk policy and oversight.

The Committee's focus during the 2016–2017 financial year encompassed the following areas:

- Internal audit of risk management, cyber security, complaints handling, outsourcing and financial advice;
- Embedding the management of risk across operational areas of Energy Super;
- Investment governance;
- Robust implementation and management of various projects; and
- In depth reviews of Energy Super's material service providers including fund managers, custodian and fund administrator.

Chair:

John Geldard

Members:

Christine Maher
Richard Flanagan
Clive Skarott
Peter Duffy

INSURANCE AND CLAIMS COMMITTEE

The Committee is responsible for oversight of insurance claims and insurers by:

- Ensuring there is in place an effective Insurance Governance Framework that reflects the risks associated with making available insured benefits appropriate to the size, business mix and complexity of the Fund's business operations;
- Ensuring insurance arrangements adequately address the minimum requirements set out in APRA's Prudential Standard SPS 250: Insurance in Superannuation, and the insurance covenants in the SIS Act;
- Overseeing the selection and relationships with insurers; and
- Overseeing decisions about claims, complaints and other matters related to insurance.

Chair:

David Smith

Members:

Richard Flanagan
Christine Maher
Neisha Traill
Peter Duffy

INVESTMENT COMMITTEE

The Investment Committee is responsible for assisting the Board to:

- Manage investments in a manner consistent with the interests of beneficiaries;
- Carry out the obligations of the RSE: to implement a sound investment governance framework, and comply with the SIS Act and Regulations, as well as APRA's Prudential Standard SPS 530: Investment Governance;
- Oversee the selection and performance of investment managers, and the products offered to members under the Outsourcing Policy; and
- Make, review and recommend investment decisions according to delegated authority.

Chair:

Mark Williamson

Members:

David Smith
Scott Wilson
Christine Maher
Peter Duffy
Neisha Traill
Peter Scott
Richard Flanagan

MEMBER SERVICES AND MARKETING COMMITTEE

The Member Services and Marketing Committee provides ongoing assistance to the Board in relation to Energy Super's products and services that will benefit existing members and help attract new members to the Fund.

The Committee has the following responsibilities:

- Ensure that the delivery of products and services to Fund members are relevant to the needs of the membership, are competitive and facilitate retaining members and attracting new ones;
- Provide members with the opportunity to communicate their thoughts, enquiries or concerns to the Trustee through the Committee; and
- Act as a forum to discuss strategic issues and initiatives before consideration by the full Board, where necessary.

Chair:

Scott Wilson

Members:

Neisha Traill
Mark Williamson
Teresa Dyson

GOVERNANCE, REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Governance Committee changed to the Governance, Remuneration and Nomination Committee effective 27 June 2017. The Committee's role expanded to include:

- Oversee responsibilities for the remuneration practices in relation to the Directors of Electricity Supply Industry Superannuation (QLD) Ltd and the Directors of its wholly owned subsidiary, ESI Financial Services Pty Ltd (ESI Group Directors), Chief Executive Officer and Executive staff;
- Carry out the obligations the RSE has to implement a sound governance framework and comply with APRA's Prudential Standard SPS 510: Governance;
- Conduct a review of effectiveness of the RSE's Remuneration Policy;
- Make recommendations on Director nomination, appointment, reappointment and removal rules; and
- Review skills and knowledge of Responsible Persons and recommend updates to the Fit and Proper Policy.

Chair:

David Smith

Members:

Mark Williamson
Scott Wilson
Christine Maher

The following remuneration information is in line with accounting standards.

REMUNERATION

THE GUIDING PRINCIPLES FOR THE REMUNERATION FRAMEWORK ARE AS FOLLOWS:

- **Simplicity**
- **Fairness**
- **Alignment with values**
- **Appropriate risk behaviour**
- **Transparency**

The above principles apply to the remuneration framework at both an organisational and divisional level of Energy Super. It aims to:

- Facilitate the delivery of superior long term results for the business and members, and promote sound risk management principles;
- Sustain the corporate values and desired culture;
- Support the attraction, retention, motivation and alignment of the talent we need to achieve our business goals;
- Reinforce leadership, accountability, teamwork and innovation;
- Be aligned to the contribution and performance of businesses, teams and individuals.

WE PROTECT YOUR PRIVACY

Our privacy policy is available on our website at energysuper.com.au or by calling **1300 4 ENERGY** (1300 436 374).



	SHORT-TERM EMPLOYEE BENEFITS \$				POST-EMPLOYMENT BENEFITS \$	
	FEES OR SALARY, INCLUDING SHORT-TERM LEAVE	EXPENSE ALLOWANCE (QUARTERLY PAYMENT)	INCENTIVE BONUS	NON-MONETARY BENEFITS	SUPERANNUATION CONTRIBUTIONS INCLUDING SALARY SACRIFICE SUPERANNUATION PAYMENTS	SUPERANNUATION CONTRIBUTIONS FOR INSURANCE
YEAR ENDED 30 JUNE 2017						
Petrou, Robyn	341,550	-	37,656	13,112	36,025	405
Hagen, Phillip	190,473	-	18,991	9,078	32,558	405
Graus, William	181,639	-	16,665	1,380	30,910	405
Beal, David	175,000	-	16,100	7,380	18,154	233
McCarthy, Phil	132,139	-	-	4,691	12,553	405
Abbott, Michael	170,959	-	16,354	7,380	29,156	405
Kay, Lisa	31,612	-	-	1,375	3,003	-
Geldard, John	25,626	2,439	-	726	24,995	-
Maher, Christine	49,812	2,658	-	792	4,728	-
Williamson, Mark	74,695	2,658	-	792	7,092	-
Wilson, Scott	62,092	2,658	-	792	5,894	-
Simpson, Peter *	28,790	1,950	-	462	2,735	-
Smith, David ^	49,688	2,608	-	792	4,720	-
Flanagan, Richard	49,812	2,658	-	792	4,728	-
Skarott, Clive	37,273	2,658	-	594	3,537	-
Duffy, Peter	49,812	2,658	-	792	6,024	-
Trail, Neisha *	20,898	658	-	330	1,985	-
Scott, Peter	-	-	-	-	-	-
YEAR ENDED 30 JUNE 2016						
Petrou, Robyn	300,000	-	57,000	13,952	33,915	405
Hagen, Phillip	189,424	-	18,227	8,388	32,186	405
Graus, William	176,229	-	16,688	1,380	29,902	405
Moloney, Kevin	94,377	-	-	860	16,473	187
Beal, David	33,654	-	-	1,492	3,566	78
McCarthy, Phil	34,001	-	-	1,331	3,541	-
Abbott, Michael	31,699	-	-	1,633	5,265	78
Henricks, Robert	37,027	2,003	-	594	3,518	-
Geldard, John	36,696	2,664	-	792	16,662	-
Maher, Christine	48,671	2,664	-	792	4,687	-
Baldwin, Geoffrey	33,065	1,332	-	528	2,307	-
Williamson, Mark	73,007	2,664	-	792	6,998	-
Wilson, Scott	60,839	2,664	-	792	5,843	-
Humphrys, Gary	32,265	1,993	-	528	3,128	-
Simpson, Peter *	48,671	2,664	-	792	4,624	-
Smith, David ^	48,671	2,664	-	792	4,624	-
Flanagan, Richard	20,509	1,118	-	330	1,948	-
Skarott, Clive	20,509	1,118	-	330	1,948	-
Duffy, Peter	12,305	671	-	198	1,169	-

*Remuneration paid to Communications Electrical Plumbing Union (CEPU) Electrical Division. ^Remuneration paid to the Australian Services Union.

We partner with some of the world's best investment managers, either through pooled investment vehicles or discrete mandates to help us implement the investment strategy for each investment option.

WHO MANAGES YOUR MONEY

WHO MANAGES YOUR MONEY (AS AT 30 JUNE)						
MANAGER	ASSET CLASS	INVESTMENT PRODUCT	2017 \$,000	2017 %	2016 \$,000	2016%
AMP Capital Investors Ltd	Socially Responsible	Responsible Investment Leaders Balanced Fund	21,330	0.31%	21,275	0.34%
Balanced Equity Management Pty Ltd	Australian Shares	BEM Core Mandate	356,384	5.17%	320,285	5.18%
Channel Capital	Australian Shares	Discovery Australian Small Companies Fund	95,003	1.38%	92,257	1.49%
Colonial First State	Cash	Colonial First State Cash Mandate	435,003	6.31%	-	-
Dalton Nicol Reid	Australian Shares	High Conviction Portfolio	416,937	6.05%	357,548	5.78%
ESI Financial Services Pty Ltd	Shares in Unlisted Entities	ESI Financial Services Pty Ltd	621	0.01%	621	0.01%
	Cash	Energy TD Cash Enhanced	776,937	11.27%	709,016	11.46%
Fidante Partners Limited	Australian Shares	Greencape Capital Mandate	243,142	3.53%	224,008	3.62%
Franklin Templeton Investments Australia Ltd	Alternatives	Franklin Asian Real Estate (Feeder) Fund	9,487	0.14%	12,167	0.20%
Gardior Pty Ltd	Alternatives	Private Capital Units III	4,202	0.06%	4,571	0.07%
Hamilton Lane Co-Investment GP II LLC	Alternatives	Hamilton Lane Co-Investment Fund II L.P.	50,063	0.73%	44,376	0.72%
	Alternatives	Harbourvest Dover Street VII	18,589	0.27%	23,593	0.38%
HarbourVest Partners LLC	Alternatives	Harbourvest Co-Invest 4	26,670	0.39%	-	-
	International Shares	Global Equities Mandate	234,007	3.40%	208,918	3.38%
Gardior/Hastings Funds Management Ltd	Infrastructure	The Infrastructure Fund	273,923	3.97%	273,465	4.42%
Janus Henderson Global Investors	Global Fixed Interest	Janus Henderson Australian Fixed Interest Fund - Institutional	204,645	2.97%	202,541	3.27%
Hyperion Asset Management Ltd	Australian Shares	Hyperion Mandate	266,345	3.86%	258,029	4.17%
LaSalle Investment Management (formerly Trinity Funds Management Ltd)	Property	LaSalle Club Investment	87,884	1.28%	50,492	0.82%
Legg Mason Asset Management Australia Ltd	Australian Shares	Legg Mason Value Mandate	282,451	4.10%	223,180	3.61%
Lexington Partners IP	Alternatives	Lexington Capital Partners VI-B LP	6,828	0.10%	7,863	0.13%
Longview Partners LLP	International Shares	Global Equities Mandate	334,363	4.85%	308,297	4.98%
Macquarie Specialised Asset Management Ltd	Alternatives	Macquarie Global Infrastructure Fund III	24,781	0.36%	33,022	0.53%
Maple Brown Abbot	Infrastructure	Listed Infrastructure Mandate	75,568	1.10%	49,841	0.81%
Martin Currie Investment Management Limited	International Shares	Global Emerging Markets Fund	-	0.00%	81,894	1.32%
ME Portfolio Management Pty Ltd	Global Fixed Interest	Industry Funds Management Super Business Loans Trust	1,423	0.02%	3,602	0.06%
	Alternatives	Industry Super Holdings	688	0.01%	668	0.01%
Natixis Global Asset Management Australia Pty Ltd	Alternatives	Loomis Sayles Credit Opportunities Fund	462,702	6.71%	404,405	6.54%
Neuberger Berman Australia Pty Limited	International Shares	Global Emerging Markets Equity Trust	143,234	2.08%	84,316	1.36%
Pantheon Ventures LLP	Alternatives	Pantheon Global Secondary Fund II	1,415	0.02%	1,755	0.03%
PIMCO Australia Pty Ltd	Global Fixed Interest	Global Bond Mandate	78,874	1.14%	122,034	1.97%
	Alternatives	Global Credit Mandate	79,291	1.15%	76,103	1.23%

When appointing investment managers, we focus on appointing those that have demonstrated an ability to successfully manage risk and achieve superior returns over the full economic cycle.

We also pay very careful attention to fees, costs and tax including performance fees, to ensure that all our investment managers provide value for money for our members. We regularly monitor the performance of our investment managers with the help of JANA, one of Australia's leading asset consultants, to ensure best-practice investment management and to help us to identify new investment opportunities.

WHO MANAGES YOUR MONEY (AS AT 30 JUNE) CONTINUED						
MANAGER	ASSET CLASS	INVESTMENT PRODUCT	2017 \$,000	2017%	2016 \$,000	2016%
QIC Ltd**	Derivatives*	QIC Derivative Passive Overlay - Currency	13,075	0.19%	32,269	0.52%
	Property	QIC Property Fund	459,075	6.66%	416,015	6.72%
	Alternatives	Queensland Government Office Fund	124,958	1.81%	119,466	1.93%
	Infrastructure	QIC Global Infrastructure	26,531	0.38%	-	0.00%
	Infrastructure	QIC Infrastructure Portfolio	14,679	0.21%	-	0.00%
	Property	QIC Australia Core Plus Fund	61,895	0.90%	56,931	0.92%
	Cash	QIC Cash Enhanced Fund	2,898	0.04%	328,292	5.31%
ROC Capital Pty Limited	Infrastructure	ROC Alternative Investment Trust No. 3	2,084	0.03%	4,021	0.06%
	Alternatives	ROC Alternative Investment Trust No. 4	5,910	0.09%	7,262	0.12%
Russell Investment Management Ltd	Alternatives	Russell Global Property Fund 1	23,816	0.35%	29,532	0.48%
Sands Capital	International Shares	Global Equities Mandate	230,988	3.35%	197,256	3.19%
Schroder Investment Management Australia Limited	International Shares	Global Enhanced Index Fund	491,190	7.13%	461,685	7.46%
	Alternatives	Siguler Guff Distressed Opportunity Fund III	5,387	0.08%	5,901	0.10%
Siguler Guff & Company LP	Alternatives	Siguler Guff Distressed Opportunity Fund IV	14,779	0.21%	15,864	0.26%
	Alternatives	Stafford Private Equity 2 Fund	791	0.01%	1,213	0.02%
Stafford Private Equity Pty Limited	Alternatives	Stafford Private Equity 4 Fund	10,514	0.15%	11,075	0.18%
	Alternatives	Stone Harbor Multi Asset Credit Fund	99,847	1.45%	92,160	1.49%
T Rowe Price International Ltd	International Shares	Asia Ex-Japan Emerging Markets Equities Fund	134,117	1.95%	74,185	1.20%
Transition account	International Shares	Residual transition account	50	0.00%	46	0.00%
Transition account	Australian Shares	Residual transition account	2	0.00%	2	0.00%
INVESTMENTS SUBTOTAL			6,735,376	97.73%	6,053,317	97.84%
OTHER CASH			35,826	0.52%	33,818	0.55%
OTHER ASSETS SUBTOTAL			120,276	1.75%	100,113	1.62%
TOTAL ASSETS			6,891,478	100.00%	6,187,248	100.00%

* See Policy on Derivatives on page 13. ** QIC Ltd use various risk management products. Some of the products hedge against variations in currency.

We're committed to providing our members with sound financial advice so you can enjoy peace of mind and achieve your financial goals on your terms.

JOIN US

“Energy Super staff have really looked after my best interests to a high standard since joining.” MEMBER FEEDBACK SURVEY



As a “profit for members” industry fund, we remain committed to keeping our fees and costs as low as possible to help you maximise your retirement savings.

OUR FEES & COSTS

Fees and management costs deducted from your account

The fees and costs that may have been deducted from your account during the year include a fixed administration fee of \$1 per week (\$52 per annum) and transaction based fees and costs. These fees and costs are discussed in more detail in this section and will be listed in your Annual Statement.

Other management costs not deducted from your account

The table on page 43 sets out the administration and investment costs that were deducted from each option's investment earnings before they were credited to your account, shown as a percentage of the assets in each Investment option. These percentages are called Indirect Cost Ratios (ICRs) and can be used to estimate the other management costs that applied to your account during the year.

Performance fees

For some investment managers, we have agreed to pay performance fees (which are included in the Indirect Cost Ratio (ICR)*) for investment performance that exceeds certain targets. As at 30 June 2017, these agreements apply to managers in the Growth Alternatives, Australian Shares, Defensive Alternatives, International Shares and Property asset classes.

DEFINED BENEFIT MEMBERS

We take out the fees and taxes associated with providing your benefits, such as administration fees, investment management fees and investment earnings tax, before we work out your net effective earning rate. If you have made additional contributions or have “rolled over” amounts into Energy Super during the year, these are treated as Defined Contribution benefits and the fees and taxes applicable to Defined Contribution accounts will apply.

DEFINED CONTRIBUTION, INCOME STREAM AND MARKET LINKED PENSION MEMBERS

Deductions from investment earnings

During the year, we deducted the following from the investment earnings of each investment option before working out the crediting rates:

- Other management costs (indirect administration fees and investment management fees including performance fees)
- Tax on investment earnings (if applicable).

There is also an estimate of your “Other management costs” on your Annual Statement so that you can compare our costs to any other super funds that you may have. You can estimate the “Other management costs” that applied to your account for the year by multiplying your average account balance in each investment option by the ICRs in the table.

The performance of our investment options shown on page 11 is net indirect administration fees, investment management fees and tax on investment earnings.

Deductions made from members' accounts

Each year, deductions are made from members' accounts to meet the costs associated with running Energy Super and to pay Government fees and taxes. For the year to 30 June 2017 these costs included the following:

- \$1 per week fixed administration fee (\$52 p.a. per member account) is deducted monthly in arrears (or when the member closes the account).

- A \$28 switching fee applies when members change investment options using a *Change of Investment Form*. It is deducted from the account at the time of the switch. The first switch each financial year is free.
- A \$40 family law information request fee will apply for providing information to a non-member spouse. This fee must be paid when the request for information is made.
- A \$135 family law split fee will apply where superannuation entitlements have to be split under Family Law legislation. This amount is deducted equally from the member account and the spouse's interest at the time of the split.
- An international transfer fee will apply when an external service provider is engaged to help transfer superannuation monies from other countries into Energy Super. Indicative cost is between \$300 and \$400 per transfer.
- An exit fee of \$65 is deducted from your account at the time you exit the Fund. This fee is not applicable when transferring between Energy Super products.
- A 15% provision for the Government's contributions tax is deducted from employer contributions, salary-sacrificed contributions and voluntary contributions for which a tax deduction is claimed. Tax is deducted when adding these contributions to a member's account.
- Insurance costs are deducted monthly in arrears from members' accounts. The amount depends on what insurance cover they have.

Up to 30 June 2016, our administration fees (fixed plus indirect) were \$1 per week plus 0.22% p.a. of your eligible account balance capped at \$2,200 p.a. for any member including all your linked accounts if they exceeded \$1M as at 30 June 2016. From 1 July 2016, we halved the indirect administration fee cap to \$1,100 for eligible account balances of \$500,000 as at 30 June 2017. This represents a significant saving for our members and their spouses.

INDIRECT COST RATIOS* FOR 2016/17

INVESTMENT OPTION	INDIRECT ADMINISTRATION FEE [^]	BASE INVESTMENT MANAGEMENT FEES AS A % OF ASSETS [#]	INVESTMENT PERFORMANCE FEES AS A % OF ASSETS [#]	TOTAL INVESTMENT % [#]	TOTAL MANAGEMENT COSTS AS A % ASSETS [#]
Cash Enhanced	0.22	0.09	0.00	0.09	0.31
Stable	0.22	0.29	0.10	0.39	0.61
Capital Managed	0.22	0.33	0.13	0.46	0.68
Balanced	0.22	0.40	0.17	0.57	0.79
Fixed Interest	0.22	0.25	0.00	0.25	0.47
MySuper	0.22	0.40	0.17	0.57	0.79
SRI Balanced	0.22	0.92	0.00	0.92	1.14
Growth	0.22	0.44	0.22	0.66	0.88
Australian Shares	0.22	0.34	0.24	0.58	0.80
International Shares	0.22	0.38	0.16	0.54	0.76

Superannuation contributions surcharge

Superannuation contributions surcharge is an additional tax that may be applied to employer contributions, eligible termination payments and before-tax contributions (like salary sacrifice) received between 1996 and 30 June 2005. While this surcharge rate was reduced to zero from 1 July 2005, we are still receiving Australian Taxation Office (ATO) surcharge assessments relating to contributions and eligible termination payments made before 1 July 2005. We will process all ATO assessments that we receive as quickly as possible.

For Defined Benefit members, any surcharge amount that we pay to the ATO on your behalf is offset against your defined benefit, and this Surcharge Offset will accumulate with interest at the Three Year Average crediting rate.

The balance of this Surcharge Offset is then deducted from your benefit at the time it is paid.

If you have sufficient funds in your Defined Contribution account to pay the surcharge, or if you make additional contributions or roll in other super benefits, you can request to have this debt cleared at any time. Alternatively, you can elect to transfer to a Defined Contribution account.

For Defined Contribution members, any surcharge assessment is debited from your account and paid directly to the ATO.

If we receive a surcharge assessment for you after you've exited Energy Super, or if you only have an Energy Super Income Stream or Pension account, we will return it to the ATO. The ATO will either forward it to the fund to which your benefit was paid or directly to you if the benefit was, or is, being paid to you.

Offsetting your surcharge liability

You can pay us a contribution equal to the amount of the surcharge (plus any interest accrued at the Three Year Average crediting rate) accumulated in your Surcharge Offset Account. Your Annual Statement will show any surcharge assessments that were received during the financial year.

* The Indirect Cost Ratio (ICR) is the amount of other management costs, expressed as a percentage of the assets in each investment option that were deducted from the option's investment earnings before they were credited to your account.

[^] In addition, a fixed administration fee of \$1 per week is deducted from your account.

[#] Past performance fees are not a reliable indicator of the extent of future performance fees that may be payable.

The following summary is taken from Energy Super audited accounts for the year ended 30 June 2017. The Annual Financial Report containing the audited accounts and the auditor's report for the 2016/17 year can be obtained on request by contacting Energy Super.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017		
	2017 \$'000	2016 \$'000
INVESTMENTS		
Cash and cash equivalents	811,898	742,534
Units in unlisted unit trusts and mandates	5,711,853	5,140,360
Shares in unlisted entities	234,373	204,968
Derivative financial assets	13,076	32,269
	6,771,200	6,120,131
RECEIVABLES		
Trade and other receivables	118,554	39,730
	118,554	39,730
OTHER ASSETS		
Current tax asset	-	3,441
Other assets	720	857
Plant and equipment	1,002	1,072
	1,722	5,370
TOTAL ASSETS	6,891,476	6,165,231
LIABILITIES		
Trade and other payables	13,123	12,187
Benefits payable	3,028	2,302
Current tax liability	9,087	-
Provisions	200	200
Deferred tax liability	101,744	78,340
TOTAL LIABILITIES EXCLUDING MEMBER BENEFITS	127,182	93,029
NET ASSETS AVAILABLE FOR MEMBER BENEFITS	6,764,294	6,072,202
MEMBER BENEFITS		
Defined contribution member liabilities ("DC")	5,506,970	4,798,197
Defined benefit member liabilities ("DB")	909,984	989,563
Unallocated to members	351	904
TOTAL MEMBER LIABILITIES	6,417,305	5,778,664
TOTAL NET ASSETS	346,989	283,538
EQUITY		
Operational risk reserve	17,156	15,515
Administration and other reserves	25,446	18,218
DB employer insurance surplus	4,604	4,498
DB over/(under) funded	299,783	245,307
TOTAL EQUITY	346,989	283,538

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2017		
	2017 \$'000	2016 \$'000
REVENUE FROM SUPERANNUATION ACTIVITIES		
Interest	27,966	18,529
Dividends and trust distributions received	276,480	322,728
Changes in assets measured at fair value	444,861	(78,912)
Other income	3,090	1,285
TOTAL REVENUE FROM SUPERANNUATION ACTIVITIES	752,397	263,630
Investment expenses	(21,710)	(18,804)
Administration expenses	(17,533)	(15,495)
Other operating expenses	(6,986)	(6,290)
TOTAL EXPENSES	(46,229)	(40,589)
NET RESULT FROM SUPERANNUATION ACTIVITIES	706,168	223,041
OPERATING RESULT	706,168	223,041
Net benefits allocated to defined contribution member accounts	(521,486)	(189,038)
Net change in defined benefit member liabilities	(71,186)	(67,835)
OPERATING RESULT BEFORE INCOME TAX	113,496	(33,832)
Income tax (expense)/benefit	(39,764)	23,646
OPERATING RESULT AFTER INCOME TAX	73,732	(10,186)

The Trustee believes that all contributions received up to 30 June 2017 have been allocated to member accounts. However, it is suggested that members check their Annual Statements carefully.

If you have any reason to believe that all contributions due have not been made, please discuss the matter with your employer. If you cannot resolve the matter with your employer please contact Energy Super.

These statements should be read in conjunction with the notes to the Financial Statements. A full copy of the financial statements can be found at energysuper.com.au/why-join-us/about-our-fund/fund-governance

STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2017			
	DC MEMBER BENEFITS \$'000	DB MEMBER BENEFITS \$'000	TOTAL
Opening balance as at 1 July 2016	4,798,197	989,563	5,787,760
Contributions:			
Employer	264,670	17,460	282,130
Member	130,092	1,788	131,880
Co-contributions	129	-	129
Transfer from other superannuation funds	260,317	-	260,317
Transfer to other superannuation funds	(143,117)	-	(143,117)
Income tax on contributions	(38,960)	(2,561)	(41,521)
Net after tax contributions	473,131	16,687	489,818
Benefits to members/beneficiaries	(262,532)	(165,420)	(427,952)
Insurance premiums charged to members' accounts	(43,293)	(2,032)	(45,325)
Death and disability benefits credited to members' accounts	12,932	-	12,932
Reserves transferred to/(from) members:			
Administration and other reserves	7,049	-	7,049
Net benefits allocated to members' accounts, comprising:			
Net investment income	523,362	-	523,362
Net administration fees	(1,876)	4	(1,876)
Net change in defined benefit member benefits	-	71,186	71,186
CLOSING BALANCE AS AT 30 JUNE 2017	5,506,970	909,984	6,416,954

STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2016			
	DC MEMBER BENEFITS \$'000	DB MEMBER BENEFITS \$'000	TOTAL
Opening balance as at 1 July 2015	4,490,164	1,028,070	5,518,234
Contributions:			
Employer	250,025	20,249	270,274
Member	45,485	2,233	47,718
Co-contributions	122	-	122
Transfer from other superannuation funds	212,871	-	212,871
Transfer to other superannuation funds	(148,978)	-	(148,978)
Income tax on contributions	(40,860)	(2,778)	(43,638)
Net after tax contributions	318,665	19,704	338,369
Benefits to members/beneficiaries	(176,570)	(123,910)	(300,480)
Insurance premiums charged to members' accounts	(43,790)	(2,136)	(45,926)
Death and disability benefits credited to members' accounts	13,816	-	13,816
Reserves transferred to/(from) members:			
Administration and other reserves	6,874	-	6,874
Net benefits allocated to members' accounts, comprising:			
Net investment income	191,733	-	191,733
Net administration fees	(2,695)	-	(2,695)
Net change in defined benefit member benefits	-	67,835	67,835
CLOSING BALANCE AS AT 30 JUNE 2016	4,798,197	989,563	5,787,760

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017					
	DB OVER/(UNDER) FUNDED \$'000	ADMINISTRATION AND OTHER RESERVES \$'000	OPERATIONAL RISK RESERVE \$'000	DB EMPLOYER INSURANCE SURPLUS \$'000	TOTAL EQUITY \$'000
Opening balance at 1 July 2016	245,307	18,218	15,515	4,498	283,538
Operating result	65,933	7,277	416	106	73,732
Transfers (to)/from reserves	(7,572)	6,347	1,225	-	-
Transfer (to)/from DC member accounts	(653)	(6,396)	-	-	(7,049)
Valuation differences between accounting and unit pricing	(3,232)	-	-	-	(3,232)
CLOSING BALANCE AT 30 JUNE 2017	299,783	25,446	17,156	4,604	346,989
Opening balance at 1 July 2015	249,295	17,755	12,582	4,388	284,020
Operating result	(16,187)	5,490	401	110	(10,186)
Transfers (to)/from reserves	(4,075)	1,543	2,532	-	-
Transfer (to)/from DC member accounts	(304)	(6,570)	-	-	(6,874)
Valuation differences between accounting and unit pricing	16,578	-	-	-	16,578
CLOSING BALANCE AT 30 JUNE 2016	245,307	18,218	15,515	4,498	283,538

If you've got a question, feedback or would like some advice on how to make the most of your super please call us on **1300 4 ENERGY** (1300 436 374).

WE'RE HERE TO HELP

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017		
	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest from cash deposits and cash equivalents	28,343	17,282
Dividends and trust distributions received	197,305	300,863
Insurance premiums paid to insurer	(44,309)	(47,311)
Administration expenses	(15,545)	(14,522)
Investment expenses	(20,187)	(18,805)
Other operating expenses	(5,184)	(5,336)
Income tax paid (not including tax on contributions)	(21,450)	(17,909)
NET CASH INFLOWS FROM OPERATING ACTIVITIES	118,973	214,262
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	712,731	1,093,915
Purchases of investments	(854,769)	(1,378,261)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES	(142,038)	(284,346)
CASH FLOWS FROM FINANCING ACTIVITIES		
Employer contributions	281,576	292,816
Member contributions	132,008	47,840
Transfers from other superannuation plans	94,898	88,962
Transfers to other superannuation plans	(143,117)	(148,978)
Benefits paid to members	(248,875)	(164,111)
Tax paid on contributions	(24,061)	(19,250)
NET CASH INFLOWS FROM FINANCING ACTIVITIES	92,429	97,279
NET INCREASE IN CASH AND CASH EQUIVALENTS	69,364	27,195
Cash and cash equivalents at the beginning of the financial period	742,534	715,339
Cash and cash equivalents at the end of the financial period	811,898	742,534

These statements have been prepared in accordance with Accounting Standard AASB 1056 Superannuation Entities which replaces AAS 25 Financial Reporting by Superannuation Plan.

These statements should be read in conjunction with the Notes to the Financial Statements. A full copy can be found at energysuper.com.au/why-join-us/about-our-fund/fund-governance

OPERATIONAL RESERVE ACCOUNT

We use an operational reserve account to manage the Fund's expenses. Energy Super allocates to the operational reserve account:

- Earnings on contributions received before they are credited to your accounts (or returned); and
- Amounts deducted from your account such as administration fees, contributions tax and insurance costs; and from investment earnings including anticipated tax.

The Fund uses this operational reserve account to pay tax, insurance premiums, the administrator's fees and other Fund expenses.

The investment strategy in relation to the operational reserve account is to maximise returns and allow sufficient liquidity to meet the Fund's operational liabilities. Funds are invested in low-risk assets such as cash at call and term deposits.

Over the past three years, the Fund's reserve, which includes the Operational Risk Financial Reserve (ORFR) described below, has been:

AS AT 30 JUNE	2017	2016	2015
Reserve (\$ mil)	27.6	21	34.1

OPERATIONAL RISK FINANCIAL RESERVE

From 1 July 2013, the Fund also maintains an operational risk reserve to comply with prudential requirements to have adequate financial resources to address losses arising from operational risks within its business operations. Potential losses arising from operational risks include incorrect benefit payments due to human or system error, unit pricing error, and loss of data.

The investment strategy in relation to the ORFR is to maximise returns and allow sufficient liquidity to meet expenses of any incurred operational risk. Funds are invested in low-risk assets such as cash at call and term deposits.

Over the past three years, the Fund's ORFR has been:

AS AT 30 JUNE	2017	2016	2015
Reserve (\$ mil)	17.1	15.5	12.6

HAVE A COMPLAINT?

If you're unhappy with the services offered by Energy Super, please contact us and we'll address your concerns promptly and fairly.

If you have a complaint, you can:

PHONE US:
1300 436 374

EMAIL US:
info@energysuper.com.au

FAX YOUR WRITTEN COMPLAINT TO:
(07) 3229 7523

MAIL YOUR WRITTEN COMPLAINT TO:
Complaints Officer
Energy Super
GPO Box 1006
Brisbane QLD 4001

SEE US IN PERSON AT:
Level 8, 100 Creek Street
Brisbane QLD 4000

If we're not able to respond immediately, we will investigate your complaint and write to you advising of the outcome within 90 days.

If you're not satisfied with our response, you may be able to take your complaint further by lodging it with the Superannuation Complaints Tribunal (SCT).

The SCT is an independent body set up by the Federal Government to consider certain superannuation-related complaints from members, former members and their beneficiaries.

The SCT can consider complaints about the decisions and conduct of the trustees of most superannuation funds, the conduct and decisions of people acting on behalf of the trustee and the decisions of insurers in relation to insurance benefits provided through superannuation funds.

You can contact the SCT by:

Phone: 1300 884 114

Email: info@sct.gov.au

Mail: Superannuation
Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001





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Electricity Supply Industry Superannuation (Qld) Ltd (ABN 30 069 634 439 AFSL 336567) is the Trustee and issuer of Energy Super (ABN 33 761 363 685). A Product Disclosure Statement (PDS) is available from energysuper.com.au/pds or by calling 1300 4 ENERGY (1300 436 374). Any advice contained in this Annual Report is general in nature and not specific to your particular circumstances. You should consider your financial situation before acting on the advice. Financial advice is provided by ESI Financial Services Pty Ltd (ABN 93 101 428 782, AFSL 224952), a wholly owned subsidiary of Energy Super. MySuper authorisation 33761363685380.