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**Accrued default amounts (ADA)** represents the total amount attributed by the trustee to a member is defined as an accrued default amount in section 20B of the SIS Act where either the member has given the trustee of the fund no direction on the investment option in which the amount is to be invested; or the investment option in which the total amount is invested in is one which, under the current governing rules of the fund, would be the investment option for a new member if no direction were given.

**Administration expenses** represents expenses that relate to the administration or operation of the fund. Includes: administration expenses for which administration fees are charged.

**Approved deposit funds (ADFs)** can receive, hold and invest certain types of rollovers until such funds are withdrawn or a condition of release is satisfied (depending on the preservation status of the assets). ADFs can be either single member or multi member.

**Balance of life office statutory funds** refers to assets held for superannuation or retirement purposes in statutory funds of life insurance companies, excluding the assets held in life office statutory funds by superannuation entities. The balance of life office funds includes annuities and assets backing non-policyholder liabilities. These products are regulated under the *Life Insurance Act 1995*.

**Benefit payments** represents lump sum benefit payments and pension benefits paid directly to members. Excludes: rollovers and successor fund transfers.

**Cash** represents cash on hand and demand deposits, as well as cash equivalents. Cash equivalents represent short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Reference: Australian Accounting Standards.

**Cash flow adjusted net assets** is the sum of net assets at the beginning of the period and half of net flows.

**Cash management trust** Represents a unit trust which is governed by a trust deed which generally confines its investments (as authorised by the trust deed) to financial securities available through the short-term money market. Cash management trusts issue units in the trust that are redeemable by the unit holder on demand.

**Commodities** represents natural resources that are either grown or extracted from the ground and are often used as inputs in the production of other goods or services.

**Contributions tax and surcharge** represents tax expenses in relation to taxable contributions made to the superannuation entity during the period (contributions tax) and contributions surcharge tax.

**Corporate funds** are RSEs with more than four members under the trusteeship of a ‘not for profit’ RSE licensee and with a corporate membership basis.

**Cost of member benefit insurance prior to September 2013** represents members' death and/or disability insurance premiums expense less rebates received or accrued from insurers in relation to insurance premiums; from September 2013, represents outflows incurred through insurance activities. Includes premiums denoted from member accounts, reinsurance premiums charged, expenses incurred for insurance claims and changes in insurance liabilities or reinsurance assets.

**Currency hedged** represents where derivative financial instruments are used to reduce the risk of adverse currency movements.

**Defined benefit contribution** represents contributions made in respect of a member interest that is a defined benefit interest. Reference: SIS Regulations, r. 1.03AA.

**Defined benefit funds** are superannuation entities where all members are entitled to receive defined benefits. In defined benefit funds, a member's benefits are calculated based on a formula specified in the trust deed. Usually the member's final benefit depends on years of service with an employer (or years of membership of the fund) and level of salary near retirement.

**Defined benefit members’ benefits** represents the present value of expected future benefit payments to defined benefit members and beneficiaries arising from membership, measured using actuarial assumptions and valuations where appropriate

**Defined contribution members' benefits** represents the present obligation to pay benefits to defined contribution members and beneficiaries.

**Directly held** represents investments made by the RSE in its own name. Includes: investments held by a custodian in trust for the RSE.

**Directly invested** assets includes investments that are made by the superannuation entity in its own name as part of the internal investment management function. It includes investments such as cash and deposits, placements and loans, equities and property holdings.

**Eligible rollover funds (ERFs)** are superannuation funds or approved deposit funds which are eligible to receive benefits automatically rolled over from other funds. ERFs typically accept superannuation monies from other funds where the member has become ‘lost’.
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**Employer contributions** are contributions received from employers and includes (but is not limited to) all mandated employer contributions (such as Superannuation Guarantee amounts), salary sacrifice contributions and voluntary employer contributions, less any repatriation to employer sponsors. Appropriations for major Commonwealth public sector superannuation schemes where benefits were paid directly from Commonwealth Consolidated Revenue are classified in employer contributions.

**Equity** represents an ownership interest in a business, trust or partnership. Includes: common shares, preference shares and units. Excludes: units in property trusts, units in infrastructure trusts.

**Excess/deficiency of assets** is reported by defined benefit funds when the entity has had formal actuarial valuation as at the end of the reporting period and the actuary's report is available by the reporting due date.

**Exempt public sector superannuation schemes (EPSSSs)** are public sector superannuation schemes that choose not to be regulated by APRA. However, for statutory purposes, a number of EPSSSs report to APRA under an agreement between the Commonwealth Government and each of the State and Territory Governments. Schedule 1AA of the SIS regulations contains a list of EPSSSs.

**Fixed Income** represents a loan, placement or debt security. Loans are financial assets that are created when a creditor lends funds directly to a debtor, and are evidenced by documents that are non-negotiable. Placements are liabilities of entities not described as authorised deposit-taking institutions, e.g. State treasuries. Debt securities are securities which represent borrowed funds which must be repaid by the issuer with defined terms including the notional amount (amount borrowed), an identifiable return and maturity/renewal date. Includes: short and long-term debt securities.

**Foreign exchange gains/losses** represents changes in the value of investments as a result of unrealised and realised changes in currency exchange rates which are used to translate or value investments.

**Generic MySuper products** refer to MySuper products authorised under section 29T and not authorised under section 29TA (Goodwill provision) or 29TB (Large employer provision) of the Superannuation Industry (Supervision) Act 1993 (SIS Act).

**Goodwill MySuper product** refer to MySuper products authorised under the material goodwill provision set out in section 29TA of the SIS Act. Where the benefits of members and beneficiaries in another regulated superannuation fund (the original fund) are to be transferred to the fund; and APRA is satisfied that some or all of the persons whose benefits are to be transferred hold a class of interest in the original fund that is similar to the proposed MySuper product; and there is material goodwill in that class of interest in the original fund.

**Government co-contribution** represents contributions made by the Federal Government to the RSE under the Superannuation (Government Co- Contribution for Low Income Earners) Act 2003.

**Income tax expense/benefit** on earnings represents the tax associated with operating performance. It includes the tax on investment earnings but excludes contributions tax and surcharge.

**Indirectly held** represents an investment made via an investment vehicle.

**Individually managed mandate** represents an asset portfolio managed by an investment manager in accordance with a formal agreement. Excludes: derivative assets and derivative liabilities.

**Industry funds** are RSEs with more than four members under the trusteeship of a ‘not for profit’ RSE licensee and with either an industry or general membership base.

**Infrastructure** represents the basic physical systems of a country, state or region including transportation, communication, utilities, and public institutions.

**Investment expenses** are all expenses which are associated with the generation of income on the investment portfolio of the superannuation entity.

**Investment income** is income generated from the investment portfolio of the superannuation entity.

**Investment management fees** are expenses which relate to the management of the superannuation entity’s investment portfolios.

**Investments placed with an investment manager** are those that are not directly held, such as individually managed mandates, wholesale trusts and pooled superannuation trusts.

**Inward insurance flows** represents inflows sourced from insurance activities. Includes: insurance claim benefits or proceeds credited to member accounts, reinsurance benefits, rebate income received on premiums charged, fee rebates received against insurance fees charged to members and changes in insurance liabilities or reinsurance assets.

**Inward rollovers** refer to member’s benefits that have been rolled over or transferred in from another superannuation entity and may include assets transferred from life insurance offices and retirement savings accounts (RSAs).

**Large Employer MySuper product** refer to MySuper products authorised under the large employer provision set out in section 29TB of the SIS Act. The employer is a large employer in relation to a regulated superannuation fund if there are 500 or more members of the fund who are employees of the employer or associate of the employer in relation to whom the employer or associate of the employer contributes to the fund.
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**Liability for members' benefits** represents the present obligation to members and beneficiaries for benefits they are entitled to receive in the future as a result of membership of the RSE. Excludes: reserves. Reference: Australian Accounting Standards.

**Life company investments** include monies associated with investment in insurance or life policies. Superannuation assets invested in life office statutory funds are sourced from life insurance returns submitted to APRA under the *Life Insurance Act* (1995).

**Lifecycle exception** has the meaning given in section 29TC(2) of the SIS Act.

**Lifecycle MySuper product** refers to a MySuper product to which a lifecycle exception applies.

**Lifecycle stage of a lifecycle MySuper product** means a subclass of members of the RSE within which the lifecycle MySuper product is located who hold that product, determined on the basis of age or age and the factors mentioned in regulation 9.47 of the SIS Regulations.

**Low income super contribution** Represents low income superannuation tax offsets paid to the RSE for an individual member. Reference: *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*, Part 2A.

**Lump sum benefit payments** are benefit payments paid as a lump sum and includes (but is not limited to) retrenchment, redundancies, resignation and disability benefit payments. This item does not include lump sum rollovers or pension benefit payments.

**Member contributions** are contributions received from members and include (but are not limited to) member post-tax contributions and self-employed contributions. This item does not include rollovers or transfers from other superannuation entities.

**MySuper product** refers to a class of beneficial interest in a regulated superannuation fund that is a MySuper product if an RSE licensee is authorised under section 29T (including section 29TA and 29TB) to offer that class of beneficial interest in the fund as a MySuper product.

**Net assets** are total assets less total liabilities.

**Net assets at the beginning of the period** are assets at the end of the previous period.

**Net benefit transfers** is the difference between inward rollovers and outward rollovers.

**Net cash flows** is used in the calculation of ROR. It is derived as net contribution flows less contribution tax and surcharge plus total proceeds on insurance policies less net cost of member benefit insurance.

**Net contribution flows** is total contributions plus net rollovers less benefit payments and are gross of contributions tax and surcharge. Some entities are unable to provide a breakdown of net contributions flows into contributions, rollovers and benefit payments. Net contribution flows is not dependent upon these breakdowns and is correct within reasonable bounds of statistical accuracy.

**Net cost of member benefit insurance** represents members' death and/or disability insurance premiums expense less rebates received or accrued from insurers in relation to insurance premiums.

**Net earnings after tax** are net earnings generated during the period less tax expense on earnings.

**Net earnings** are the sum of net investment income and other income less operating expenses.

**Net investment income** is investment income (including unrealised gains/losses) less investment expenses.

**Net operating performance after tax** is net flows plus net earnings after tax.

**Number of entities** is the number of active superannuation entities in the period.

**Operating expenses** include expenses incurred which are not ordinarily directly associated with the generation of investment income (i.e. expenses that are not directly related to the investment portfolio of the superannuation entity, but more toward the administration of the superannuation entity).

**Other income** represents income sourced from miscellaneous operating activities. Includes: income from scrip lending; income associated with underwriting activities; fees and commissions; rebates on fees charged to members, costs, commissions and charges; and other miscellaneous income. Excludes: investment income.

**Other assets** include derivative assets, goodwill assets, reinsurance assets, property plant and equipment and other assets which do not fall into the specified asset categories.

**Other changes** are calculated using the residual of net assets at the beginning and end of the quarter and net operating performance after tax. This item includes other reconciling items and changes in the quarterly population.

**Other investments** include all investments not separately disclosed in the specified investment categories. For the purpose of this publication it includes securities purchased under agreement to resell, leased assets and investments with overseas managers.

**Other liabilities** include derivative liabilities, borrowings, insurance liabilities, total payables, and other liabilities which do not fall into the specified liability categories.

**Other members' benefits flows** represents members' benefit flows other than contributions (gross of contributions tax and surcharge), benefit payments and benefit transfers. Member’s benefits flows excludes investment income and expenses, insurance, administration and operating expense-related flows.
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**Outward insurance flows** represents outflows incurred through insurance activities. Includes: premiums debited from member accounts, reinsurance premiums charged, expenses incurred for insurance claims and changes in insurance liabilities or reinsurance assets.

**Outward rollovers** are those monies which are transferred from the superannuation entity to another superannuation entity.

**Personal contribution** represents contributions made by a member as defined in the Member Contribution Statement. Includes: contributions which have counted toward the non-concessional and concessional contributions cap, non excluded capital gains or capital proceeds and personal injury payments, direct termination payments and contributions from another entity on the members behalf, CGT personal injury exclusions, DTPs (made by a member to an account in their own name including both deducted and non-deducted member contributions). Reference: Member Contribution Statement.

**Pension benefit payments** refer to benefits paid to members in the form of a pension and includes complying pensions, allocated pensions and annuity payments.

**Pooled superannuation trusts (PSTs)** are trusts in which regulated superannuation funds, approved deposit funds and other PSTs invest. Pooled superannuation trusts are not included in total assets as their assets are captured in other superannuation entity categories.

**Property** represents an investment in real estate where the earnings and capital value are dependent on cash flows generated by the property through sale or rental income.

**Public sector funds** are RSEs with more than four members under the trusteeship of a ‘not for profit’ RSE licensee and with a government base membership base. Public sector funds also include superannuation schemes established by a Commonwealth, State or Territory law (exempt public sector superannuation schemes).

**Rate of return** is net earnings after tax divided by cash flow adjusted net assets. Year ended rates of return are calculated by geometrically linking the quarterly RORs.

1.e. Year ended \( \text{ROR} = (1+ \text{ROR}_{t-3})(1+\text{ROR}_{t-2})(1+\text{ROR}_{t-1})(1+\text{ROR}_t)-1 \)

**Receivables** represents short term liabilities owed by debtors.

**Registrable superannuation entity (RSE)** is a superannuation entity, not including self-managed superannuation funds. From 1 July 2006, all trustees operating APRA-regulated superannuation entities were required to hold a RSE Licence and register their superannuation entities with APRA.

**Reserves** relates to unallocated reserves of the superannuation entity (for example, income or losses that have not been specifically allocated against member accounts).

**Retail funds** are RSEs with more than four members under the trusteeship of a ‘for profit’ RSE licensee with a corporate, industry or general membership basis.

**Retirement savings accounts (RSAs)** are products offered by licensed authorised deposit taking institutions, life insurance companies and prescribed financial institutions that provide a capital guaranteed product for retirement savings.

**RSE licensee** refers to a constitutional corporation, body corporate or group of individual trustees that holds an RSE licence granted under s. 29D of the SIS Act.

**Salary sacrifice contribution** represents contributions via an arrangement under which an employee agrees to forego part of his or her total remuneration that he or she would otherwise expect to receive as salary or wages, in return for the employer, or an associate of the employer, providing contribution benefits of a similar value. Reference: Taxation Ruling 2001/10, paragraph 19.

**Securities purchased under agreement to resell** are assets where the superannuation entity buys/borrows securities from another party in exchange for cash. The superannuation entity agrees to return the securities to the other party in the future in exchange for the return of the cash (plus interest).

**Self-managed superannuation funds (SMSFs)** are superannuation entities regulated by the Australian Taxation Office that have less than five members, all of whom are trustees or directors of the corporate trustee. No member can be an employee of another member unless they are related.

**Small APRA funds (SAFs)** are superannuation entities regulated by APRA with less than five members.

**SMSF rollover** represents a rollover associated with a self managed superannuation fund.

**Super guarantee contribution** represents contributions made by an employer to the RSE to meet its obligations under the Superannuation Guarantee (Administration) Act 1992. Includes: defined contribution employers’ contributions. Excludes: defined benefit contributions. Reference: SIS Regulations, r. 1.03.

**Superannuation entity** is a regulated superannuation fund, an approved deposit fund or a pooled superannuation trust.

**Tax assets** is equal to the sum of current tax assets and deferred tax assets.

**Tax liabilities** is equal to the sum of current tax liabilities and deferred tax liabilities.
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*Total assets* are the sum of the resources held by a trustee on behalf of a fund. These include cash, investments and receivables.

*Total benefit payments* include lump sum benefit payments and pension benefit payments.

*Total contributions* is equal to the sum of employer, member and other contributions.

*Total investments* represents the total purchase of a financial product or other item of value with an expectation of favourable future returns.

*Total liabilities* include direct holdings of derivative financial instruments, total borrowings, deferred and current tax liabilities and sundry creditors.

*Unallocated benefits* represents contributions received but not yet allocated to specific member accounts or reserves.

*Unlisted retail trust* represents a collective investment vehicle that is not listed on an Australian or international stock exchange, provides exposure to a diversified portfolio of investments and can be accessed by retail clients, at low entry levels, as defined in the *Corporations Act 2001*.

*Wholesale trusts* are collective investments established under a trust deed. They are usually only open to institutional investors and have a high entry level. An information memorandum is usually issued rather than a product disclosure statement.