

2015 Annual Report



ORACLE[®]

Oracle Superannuation Plan

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Your Annual Report

This *Annual Report* has been prepared for members of the Oracle Superannuation Plan (ABN 17 608 890 083). It reviews the Plan's performance and super developments for the past 12 months and covers how the Plan is managed.

The information in this document is general information only and does not take into account your particular objectives, financial circumstances or needs. It is not personal or tax advice. Any examples included are for illustration only and are not intended to be recommendations or preferred courses of action. You should consider obtaining professional advice about your particular circumstances before making any financial or investment decisions based on the information contained in this document. Information on tax and superannuation legislation is current as at the date of publication and may change.

Issued by Towers Watson Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049), as Trustee of the Oracle Superannuation Plan. Preparation of this *Annual Report* was completed on 17 September 2015.

Welcome from the Trustee

Welcome to the *Annual Report* for members of the Oracle Superannuation Plan for the year to 31 May 2015. We are pleased to present the Plan's investment performance and update you on the latest super news.

Your 2014/15 super performance

Members benefited from a third consecutive year of strong investment performance for the Plan. This was despite a number of challenges in investment markets over the year including record low interest rates, depressed commodity prices, slowing growth in China and continued economic uncertainty in the Eurozone.

See the table on page 4 for how each option performed during the year. More details on your returns are on page 10. To see how the Plan invests its assets, see pages 13 to 20.

The Trustee is currently revising the Plan's investment objectives to ensure they remain appropriate.

Super developments

Super and retirement issues have made the headlines again this year. Some recommendations for the super system have resulted from the Australian financial system inquiry. The Federal Budget also proposed changes to the age pension assets test, which are now law. These changes could affect your eligibility for the age pension and how you plan for retirement. Read page 21 to learn more.

What's your plan for retirement?

Given the changes to the pension assets test, it might be timely to think about how you will fund the retirement lifestyle that you dream of. Read our article on page 5 to learn what you may need to budget for in retirement and how many years you may be spending in retirement. We point out a few key actions you can take now to boost your super for the future.

Think you know about super?

Take our quick quiz on page 8 and you may discover things you didn't know about super or about what the Plan offers.

We encourage you to spend some time reading this Report which looks over the past year's events and what they mean for your super.

As Trustee, our role is to manage the Plan for your benefit. As always, we welcome your questions and feedback. Our contact details are on page 24.

The Trustee
Oracle Superannuation Plan

*If you have a question,
call 1800 127 953.*



2015 overview

Investment performance

Past performance is not necessarily a reliable indicator of future performance.

Investment option	One-year net return to 31 May 2015	Five-year compound average net return (per year)	10-year compound average net return (per year)
Diversified Shares	15.9%	12.1%	7.5%
Growth	12.1%	10.8%	7.4%
Balanced	10.0%	9.3%	6.7%
Stable	7.3%	7.5%	5.8%
Cash*	2.2%	3.2%	n/a*

Note: The returns shown are after tax, investment fees and, from 1 July 2013, an allowance to build up the Operational Risk Financial Requirement (ORFR) reserve have been deducted. The rates apply to the accounts of Employee and Spouse members. Retained Benefit members should see page 10 for information on the returns applied to their accounts.

* The Cash option commenced on 1 April 2009, so a 10-year compound average return is not available.

Did you know?

Your super performance varies depending on changes in investment markets.

Plan's net assets at 31 May



2015
\$272,900,958

2014
\$232,439,663

Membership at 31 May



2015
2,602

2014
2,305

Will you have the retirement you want?

Is your idea of retirement filled with dreams of travelling, pursuing hobbies or simply taking life at a slower pace?

Whatever your dreams, with the changes to the age pension assets test and the likelihood you will live longer than your parents, it's even more important to save for your retirement.

Read on to find out what you can be doing to turn your dreams into reality.

What lifestyle do you have in mind?

Everyone has different spending needs and ideas of the lifestyle they want in retirement. The Association of Superannuation Funds of Australia (ASFA) provides estimates of what makes for both a "comfortable" and "modest" retirement budget.

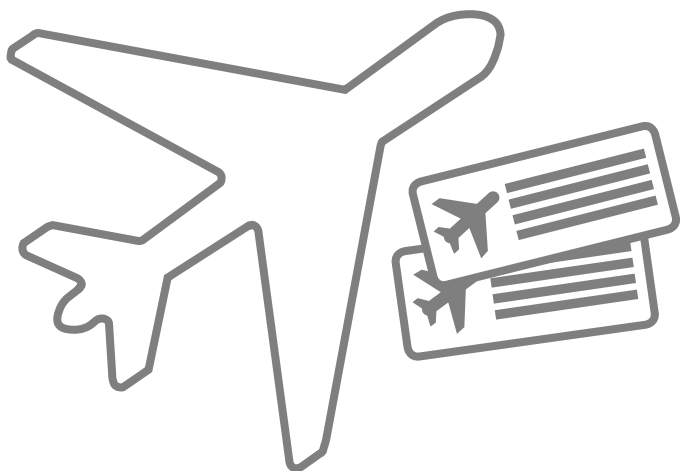
According to ASFA*, a **comfortable** retirement lifestyle enables an older, healthy retiree to be involved in a broad range of leisure activities and to have a good standard of living. This would include purchases on things like:

- Private health insurance;
- A reasonable car;
- A range of electronic equipment; and
- Domestic as well as an occasional international holiday.

It would also include \$96 a week for a couple to spend on housing costs such as repairs, improvements, insurance and rates.

A **modest** retirement lifestyle* is considered better than the age pension, but only includes fairly basic activities. For instance, no allowance is made for home improvements or overseas holidays.

Remember, it is going to be harder to rely on the age pension. The pension eligibility age is proposed to increase progressively to 70 by 1 July 2035. This means if you were born after 1 January 1966, you may not be eligible for the age pension until you're 70. Not everyone will receive the full pension either, particularly after new assets tests limits take place from 1 January 2017 (see page 21 for more details). If your income or assets exceed a certain limit, the amount of age pension will be reduced, so you could end up with a part age pension or not be eligible for the age pension at all.



Estimated budgets*:

For a couple

A "comfortable" lifestyle

\$58,784 a year
(\$1,127 per week)

A "modest" lifestyle

\$34,051 a year
(\$653 per week)



For singles

A "comfortable" lifestyle

\$42,861 a year
(\$822 per week)

A "modest" lifestyle

\$23,662 a year
(\$454 per week)

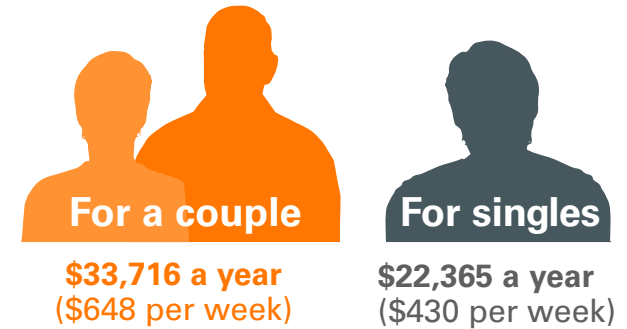


Only 53% of couples and 22% of singles are on track to have a comfortable level of retirement income**

* ASFA Retirement Standard, The Association of Superannuation Funds of Australia Ltd, June Quarter 2015. www.superannuation.asn.au. Figures are for retirees aged 65 to 85 who own their own home outright and are assumed to be relatively healthy.

** Source: Towers Watson/The University of Melbourne study "Retirement adequacy, The need to look deeper", March 2014. These figures take into account the superannuation, age pension and other retirement savings of the sample surveyed at the time of compiling the report.

The maximum full age pension#:



Source: Centrelink. Figures as at March 2015 and include the pension and energy supplements.

If you are aged 65 you can expect to live, on average, another:



* Australian Life Tables 2010-2012, adjusted for 25 year mortality improvement factors, Australian Government Actuary, December 2014

How do I start planning for the retirement I want?

Retirement planning can appear daunting, but here are five easy steps to get you started.



1) What are your goals?

Even if retirement is a long way off, it is useful to set retirement goals. You could perhaps start with the ASFA Retirement Standard and think about how your needs might compare.



2) Check how you are currently tracking for retirement

Review your latest *Benefit Statement*. A visit to the Plan's website to use the Retirement Planner can provide some answers. The planner also shows how long your income might last and allows you to see the impact of increasing contributions or delaying retirement. You can access the planner by logging in to the Member Centre at <http://mysuper.towerswatson.com/oracle>.



3) Can you save more?

Use the Budget planner on the MoneySmart website at www.moneysmart.gov.au, under "Calculators" to help you work out what you currently spend your money on and what you might have left over to save. The Plan allows you to increase your super savings by making extra contributions (but only a limited amount will be eligible for tax concessions) – see page 22 for details.



4) Do you have more than one super fund?

If so, consider rolling your accounts into the Plan which could save you fees and simplify your paperwork. However, before doing this, check if you will be charged exit fees from your other funds or if you will lose any valuable benefits such as insurance.



5) Do you know how your super is invested?

The Plan allows you to choose from a number of investment options (see pages 16 to 20). Take the time to think about what option best suits your circumstances, for example, your age and how you feel about risk.

Want to change your super choices?

Visit the website at
<http://mysuper.towerswatson.com/oracle>
or call the Plan Administrator on
1800 127 953 for more information.

Need help? See page 9 about how to find a financial adviser.

Quiz: think you know about super?

Take this quick quiz and you may discover more about super and some of the features that the Plan offers. See the next page for the answers.



Question 1

Which animal can last the longest without food?

- A) Snake
- B) Spider
- C) Crocodile



Question 2

Which of these activities caused the most hospitalisations in Australia in 2011/12?

- A) Hockey
- B) Gymnastics and trampolining
- C) Dancing



Question 3

What is the value of the food that an average NSW household throws away each week?

- A) \$ 6.90
- B) \$19.90
- C) \$25.90



Question 4

Instead of buying your lunch for \$8 a day, you take your own lunch to work each day and add that money to your super. How much might you save after 10 years if your money earned 7% a year?

- A) \$10,000
- B) \$20,000
- C) \$25,000



Question 5

True or false? If you are totally and permanently disabled as a member of the Plan and meet the eligibility requirements, you could receive an insured benefit in addition to the balance of your super account.

- A) True
- B) False

The results



Question 1

Crocodiles can go three years without food, outlasting both spiders and snakes. Unfortunately, humans are not so lucky. Read on to see how you can be boosting your super. To start planning so that you have enough to live on in retirement, follow the steps on page 7.



Question 2

Out of the three activities, **dancing injuries** caused the most hospitalisations in 2011/12. In life, we take risks all the time, often without even realising it. Sometimes, even being too cautious can cause more harm than you think, like if your investments don't keep up with inflation. Assets you may consider to be low risk, such as cash or fixed income, could end up being risky if you're investing in them for a long time. Perhaps it's time to consider what kind of risk and return levels would suit your circumstances? See pages 16 to 20 for the different investment options the Plan offers.



Question 3

This may surprise you, but the average NSW household throws away **\$19.90 of food per week** – that's a lot of waste! Just as you wouldn't consciously toss \$20 away, if you have more than one super fund, have you thought about what you might be wasting on fees? Consider merging all of your super into your account with the Plan and potentially save on paperwork and fees. However, before transferring your super from your other fund(s), check whether you will be charged exit fees or if you will lose any valuable benefits such as insurance cover.



Question 4

By bringing your own lunch, you could save around \$1,800 a year. If you kept this savings pattern up, after 10 years of saving, your super could be worth an extra **\$25,000!** (This is assuming contributions of \$1,800 after-tax each year for 10 years, with an investment return of 7% per year). Of course, the amount could be more or less than this depending on how investments performed. To learn more about contributing to the Plan, see the Product Disclosure Statement (PDS) on the Plan's website.



Question 5

True. If you are eligible, the Plan provides insurance cover for death and total and permanent disablement, giving you and your family some protection against the unexpected. The Plan also offers voluntary insurance which allows you to apply to purchase extra cover.

Want to know more about the Plan?

To learn more about any of the topics above, go to <http://mysuper.towerswatson.com/oracle> or call the Plan Administrator on **1800 127 953**. If you think you need some help with your decisions, consider discussing your situation with a financial adviser – see below for how to find one.

How to find a financial adviser

If you are worried that your retirement plans aren't quite on track and could do with some help to meet your personal goals, consider speaking with a financial adviser.

Towers Watson Australia Pty Ltd offers financial planning services through qualified financial planners. To speak with a licensed financial adviser from Towers Watson, call (03) 9655 5222.

You can find tips on locating a financial adviser in your area by downloading the Government's guide, *Financial advice and you*, from www.moneysmart.gov.au; click on the "Tools and resources" tab, then "Publications" and scroll down to the "Investing" category. You can also contact the Financial Planning Association of Australia at www.fpa.com.au or by phoning 1300 626 393.

Your 2015 super returns

The table to the right shows the Plan's investment returns. Remember though, that how your super performs will vary from year to year.

Super returns can be positive or negative depending on investment markets. In most cases, super is a long-term investment. This means that returns over a longer term (such as ten years, rather than one or two years) are likely to be a better indicator of your super's performance.

Returns are also shown on your *Benefit Statement* and the most recent returns are on the website at <http://mysuper.towerswatson.com/oracle>.

A history of your returns to 31 May

Past performance is not necessarily a reliable indicator of future performance.

Employee and Spouse members

Investment option	2015	2014	2013	2012	2011	Five-year compound average net return (per year)	10-year compound average net return (per year)
Diversified Shares	15.9%	16.4%	26.5%	-5.7%	9.8%	12.1%	7.5%
Growth	12.1%	12.1%	19.3%	0.2%	11.1%	10.8%	7.4%
Balanced	10.0%	8.8%	13.4%	4.7%	9.8%	9.3%	6.7%
Stable	7.3%	6.0%	8.8%	6.7%	8.6%	7.5%	5.8%
Cash	2.2%	2.3%	2.9%	4.2%	4.3%	3.2%	n/a*

Note: The returns shown are after tax and investment fees. From 1 July 2013, an allowance has been deducted to build up the Plan's ORFR reserve. To learn more about the Plan's ORFR reserve, see page 15. The rates apply to the accounts of Employee and Spouse members.

Retained Benefit members

Investment option	2015	2014	2013	2012	2011	Five-year compound average net return (per year)	10-year compound average net return (per year)
Diversified Shares	15.2%	15.8%	25.9%	-6.3%	9.2%	11.4%	6.9%
Growth	11.5%	11.4%	18.7%	-0.5%	10.5%	10.1%	6.8%
Balanced	9.3%	8.2%	12.7%	4.0%	9.1%	8.6%	6.1%
Stable	6.6%	5.4%	8.1%	6.1%	7.9%	6.8%	5.3%
Cash	1.5%	1.6%	2.3%	3.5%	3.6%	2.5%	n/a*

Note: The returns shown are after tax, investment fees and administration fees. From 1 July 2013, an allowance has also been deducted to build up the Plan's ORFR reserve. To learn more about the Plan's ORFR reserve, see page 15. The rates apply to the accounts of Retained Benefit members. The administration fee is currently 0.65% per year.

*The Cash option commenced on 1 April 2009, so the 10-year compound average return is not available.

What return do I receive?

Your accounts receive the actual investment return for your chosen option(s) after allowing for tax and investment fees and a deduction to build up the Plan's Operational Risk Financial Requirement (ORFR) reserve and, if you are a Retained Benefit member, an administration fee (currently 0.65% per year). See page 15 for more information about the ORFR Reserve.

Investment returns can be positive or negative.

If you leave during the year

Investment returns are calculated each year. If your super needs to be paid out before investment returns have been applied, an interim earning rate will be used. This will cover the period from the previous annual review date until the date your benefit is paid.

If you switch investment options, an interim earning rate will be applied to the part of your account that you're switching to calculate earnings at that time.

The interim earning rate is based on the Plan's estimated monthly net investment returns, pro-rated if calculated during the month. When net investment returns are not available, a calculation is made using a suitable market index for each asset class or the cash rate if index returns are not available.

Did you know?

You can view the most recent investment returns at <http://mysuper.towerswatson.com/oracle>.

Investment market update for 2014/15

Global economic conditions pointed to a relatively slow recovery over the 2014/15 financial year, with both the IMF and the World Bank downgrading their global growth forecasts during the year. Nevertheless, the global share market, as well as the listed property market, achieved strong returns.

In Australia, financial data provided mixed signals about the strength of the Australian economy. While the housing market and consumer spending saw growth, the majority of non-mining investment has been disappointing, with annual GDP growth falling to 2.3% for the year to 31 March 2015. This fall was due largely to higher than expected falls in commodity prices, the high Australian dollar (AUD) and the threat of further cost cutting measures. With mining investment as a contribution to GDP falling rapidly, growth in other parts of the economy is important.

The Reserve Bank of Australia cut the official cash rate twice during the year, with the cash rate now at its lowest level ever at 2.0%. While house price demand has picked up, national income continued to fall throughout the year with lower commodity prices, resulting in weak public spending.

The RBA justified its latest rates cut based on the need to support borrowing and spending as well as the need for the AUD to depreciate further. The seasonally adjusted unemployment rate finished the year flat versus the previous year at 6.0%.

The US economy continued to recover during the year, with the unemployment rate falling to a seven year low of 5.3%. The US Federal Reserve ended its quantitative easing program in October 2014 and early signs are encouraging, although it continues to keep interest rates down for now. Annualised US GDP growth for the year to 31 March 2015 came in at 2.4%, slightly lower than the 2.5% predicted, however by comparison it was the strongest growth rate since the end of 2011. This was largely supported by increases in consumer spending following improvements in the jobs market (consumer spending accounts for approximately 70% of US GDP).

In Europe, the threat of deflation subsided in the second half of the year, helped by a partial recovery in commodity prices following an unexpectedly sharp drop. Despite this, inflation continues to remain below target levels. In January 2015, the European Central Bank launched its quantitative easing program which will see it inject approximately €1 trillion into the economy by September 2016 via the purchase of government and private sector bonds in an attempt to counter deflationary pressures.

The Eurozone unemployment rate improved, falling to 11.1% in June 2015 compared to 11.6% in June 2014. However, as the financial year drew to a close, the breakdown in negotiations between Greece and its creditors over the extension of its bailout programme shook financial markets around the world.

China saw a growth slowdown over the year, with annual GDP growth at 7% for the first quarter of 2015. Year-on-year inflation softened in June, coming in at 1.4% (against 2.3% for the previous year) whilst the HSBC China Manufacturing PMI (a composite indicator of operating conditions in manufacturing) ended the year at 49.4, (a 2.5% fall from June 2014). However, the Chinese stock market was a standout performer, supported by policy easing and financial reforms designed to encourage participation in the share market.

Australian listed property performed strongly overall, returning 20.2% over the year, as measured by the S&P/ASX 300 Property Accumulation Index. In contrast, the Australian share market saw relatively modest returns, with the ASX 300 posting a gain of 5.6% for the same period. The global share market performed significantly better, returning 25.2% in unhedged AUD terms as measured by the MSCI World ex Australia Accumulation Index (and 10.9% in hedged AUD terms).

The AUD fell gradually throughout the year, ending the year at 76.97 US cents, down from 94.20 US cents. The AUD also fell against the currencies of its major trading partners, as measured by the Trade Weighted Index, closing the year at 63.8 (down from 72.0 at the beginning of the year).

Overall, Government bond yields remained low in most of the major developed economies over the year, boosting the returns of fixed interest investments (decreasing bond yields are positive for bond returns). Australian cash, as measured by the Bloomberg AusBond Bank Bill Index, returned 2.6% for the year, while the Bloomberg AusBond Composite Index returned 5.6%. Global fixed interest, as measured by the Barclays Global Aggregate Index (hedged to AUD) returned 5.6%, in line with the Australian fixed interest market.

Note: This investment commentary does not constitute advice. All investment figures quoted relate to the performance of the relevant industry benchmark.

How your Plan is invested

One of the Trustee's roles is to set investment objectives for the performance of the Plan, and a strategy for achieving those objectives. Professional investment managers help the Trustee to manage the Plan's investments. The Trustee has established five investment options, each with different investment objectives and a different investment strategy, for you to choose from.

As a member, making the most appropriate investment choice for your circumstances is very important. If you wish to change how your super is invested, go to the Member Centre on the Plan's website or you can download a *Super options form*. You should consider obtaining financial advice before making any changes – see page 9 on how to find an adviser.

Read pages 16 to 20 to read about the investment objectives and strategy of each option. Details of the Plan's investment managers are on page 14.

Investment objectives

Investment objectives are specific goals that the Trustee sets for the performance of the Plan and each investment option. They are not intended as forecasts or guarantees of future investment returns.

Generally, the Trustee aims to:

- Invest the Plan's assets prudently as permitted by the Trust Deed and by superannuation law;
- Invest across a diverse range of assets;
- Ensure that the Plan is able to make benefit payments to members when they are due; and
- Monitor the performance of the Plan's investment managers to ensure they exercise integrity, prudence and professional skill in fulfilling the investment tasks delegated to them.

Investment strategy

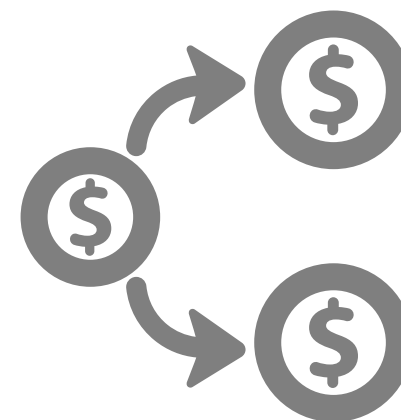
An investment strategy is the plan the Trustee follows to achieve the objectives of an investment option. Each investment option has its own investment strategy.

Changes to strategy for Growth option

During the year, the Trustee, in consultation with its investment consultant, decided to change the way the Growth option is invested by increasing the amount invested in real return funds and reducing the amount invested in global listed property:

- Real return funds increased from **5% to 7.5%**; and
- Global listed property (Hedged) decreased from **7.5% to 5%**.

The Trustee is currently revising the Plan's investment objectives to ensure they remain appropriate. Members will be provided with more details in the coming months.



Investment managers

The Trustee appoints professional investment managers to manage the Plan's investments. These managers and their products may be changed from time to time without prior notice to, or consent from, members.

Changes to investment managers

During the year, there were some changes to the Plan's investment managers:

- Property manager, Ironbark Asset Management (RREEF Global Property Securities Fund) was replaced by Resolution Capital (Global Property Securities Fund); and
- International fixed interest manager, PIMCO (Global Credit Fund) was replaced by BlackRock Investment Management (Australia) Limited (Global Bond Index Fund).

The Fund's investment managers at 31 May 2015 were:

International shares (hedged)

State Street Global Advisors (International Equities Index Trust [Hedged])

International shares (unhedged)

BlackRock Investment Management (Australia) Limited (BlackRock) (BlackRock Fission International Equity Index Fund [Unhedged])

BlackRock (BlackRock Wholesale Indexed International Equity Fund [Unhedged])

Australian shares

Karara Capital (Karara Australian Equities Fund)

Vinva Investment Management (Vinva Australian Equities Fund)

Merlon Capital Partners (Merlon Wholesale Australian Share Fund)

Schroder Investment Management Australia Ltd (Australian Equities Unit Trust and PST)

Emerging market shares (unhedged)

BlackRock (BlackRock Indexed Emerging Markets IMI Equity Fund)

Global listed property

Resolution Capital (Global Property Securities Fund)

Structured beta funds

Bridgewater Associates Inc (All Weather Fund)

Hedge funds

K2/D&S Management Co., LLC (K2 Advisors Diversity Fund Ltd)

Real return funds

Schroder Investment Management Australia Ltd (Schroder Real Return Fund)

Australian inflation-linked bonds

BlackRock (BlackRock Australian Government Inflation-Linked Bond Fund)

Australian fixed interest

Macquarie (True Index Australian Fixed Interest Fund)

International fixed interest (hedged)

BlackRock (BlackRock Global Bond Index Fund)

Cash

State Street Global Advisors (Australian Cash Trust)

Other investment information

Derivatives

Part of the Plan's assets (approximately 20% to 22.5% of each investment option except the Diversified Shares and Cash options) is invested in a fund of hedge funds, a structured beta fund and a real return fund. The underlying managers for these investments may make use of derivatives to assist in achieving their objectives. The managers do not hold uncovered derivatives.

The Plan's other investment managers only use derivatives for risk-control purposes or to more efficiently shift asset allocations.

Investment managers are required to have risk management processes in place in relation to the use of derivatives and the purposes for which they are used. Each year, the Trustee obtains confirmation from the managers that they have complied with their processes.

Reserves

The Trustee does not maintain investment reserves. However, it does maintain an operational risk reserve and a general reserve.

General reserve

The general reserve is used over time to finance certain Plan expenses. The level of the general reserve over the past three years is shown below. The Trustee has decided that the general reserve will be invested in the same way as the Growth option.

Operational Risk Financial Requirement (ORFR) reserve

From 1 July 2013, super funds have been required to set aside financial resources to address the Plan's operational risks.

An ORFR reserve will be built up to 0.25% of net assets over the three years from 1 July 2013 by setting aside a small proportion of the Plan's investment earnings.

The Trustee has decided that the ORFR reserve will be invested in the same way as the Growth option. Once the reserve reaches its desired level of 0.25% of the Plan's net assets, it will then be monitored periodically by the Trustee to ensure that it remains close to this level.

Level of reserves

As at 31 May	General reserve \$	General reserve % of net assets	ORFR reserve \$	ORFR reserve % of net assets
2015	563,305	0.21%	520,290	0.19%
2014	504,872	0.22%	209,168	0.09%
2013	340,923	0.17%	n/a	n/a

Did you know?

Each investment option has its own investment strategy and expected level of risk.

Diversified Shares

What are the investment objectives for this option?

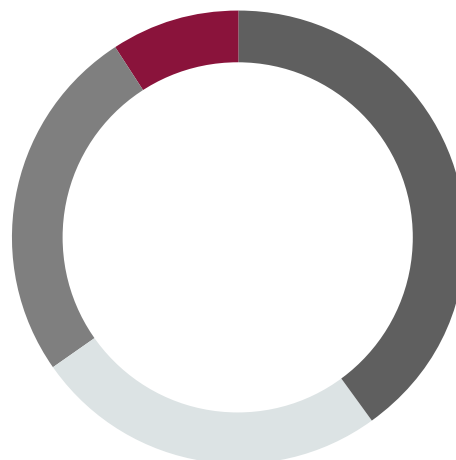
- To achieve a return (after tax and investment fees) that is at least **4.0% p.a.** more than movements in the Consumer Price Index (CPI) over rolling five-year periods.
- To limit the probability of a negative return over rolling 12-month periods to **less than 6 in 20 years.**

What investment strategy does this option use?

Invest 100% in shares, with just over half in international shares with some exposure to currency and emerging markets, and the remainder in Australian shares.

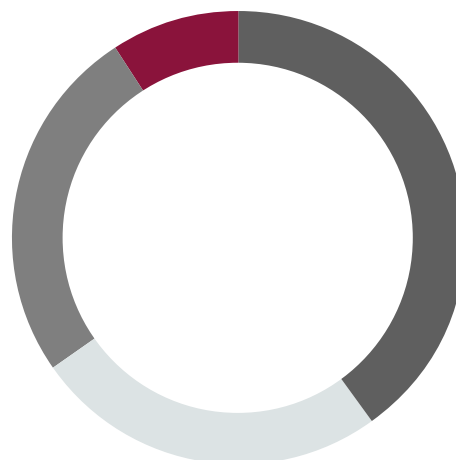
How is the option invested?

At 31 May 2015



- 40.0% Australian shares
- 25.5% International shares (Hedged)
- 25.5% International shares (Unhedged)
- 9.0% Emerging markets (Unhedged)

At 31 May 2014



- 40.0% Australian shares
- 25.5% International shares (Hedged)
- 25.5% International shares (Unhedged)
- 9.0% Emerging markets (Unhedged)

Growth

What are the investment objectives for this option?

- To achieve a return (after tax and investment fees) that is at least **3.5% p.a.** more than movements in the CPI over rolling five-year periods.
- To limit the probability of a negative return over rolling 12-month periods to about **4 in 20 years**.

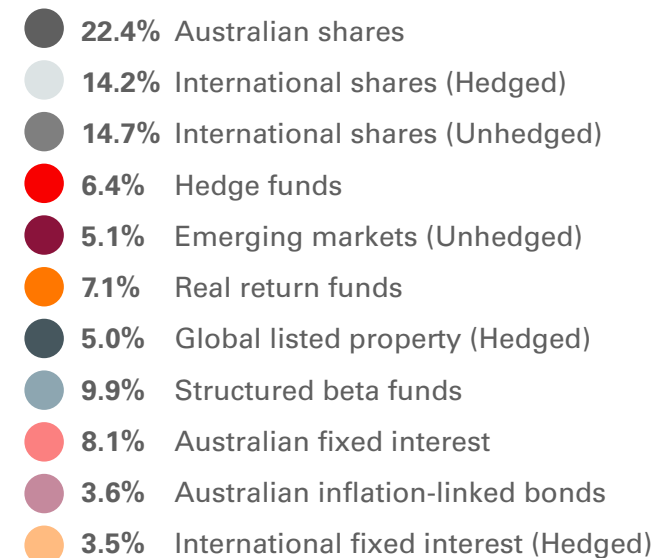
What investment strategy does this option use?

Invest about 85% in shares, hedge funds, property, real return funds and structured beta, and about 15% in fixed interest and cash investments.

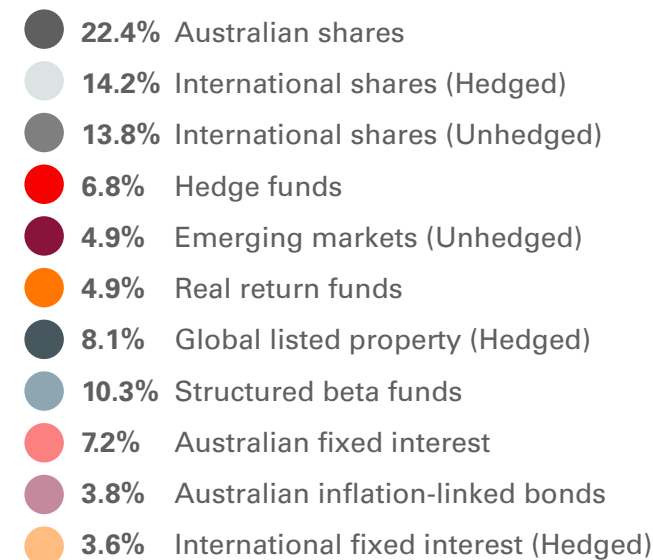
The Trustee is currently revising the Plan's investment objectives to ensure they remain appropriate.

How is the option invested?

At 31 May 2015



At 31 May 2014



Balanced

What are the investment objectives for this option?

- To achieve a return (after tax and investment fees) that is at least **3.0% p.a.** more than movements in the CPI over rolling five-year periods.
- To limit the probability of a negative return over rolling 12-month periods to about **3 in 20 years**.

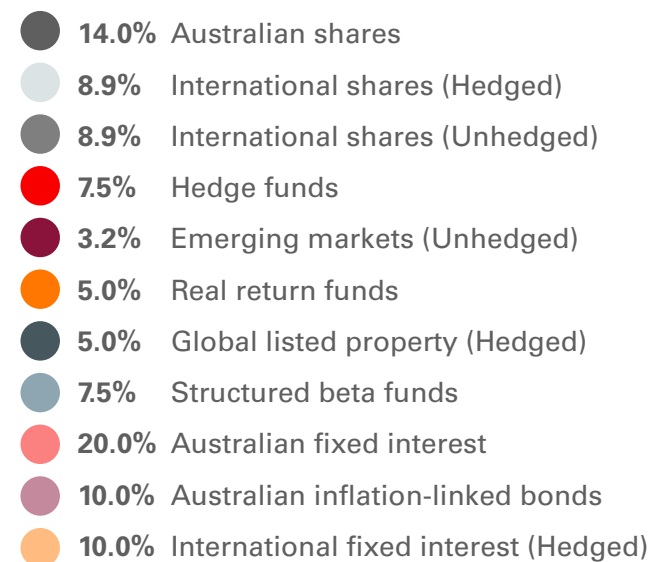
What investment strategy does this option use?

Invest about 60% in shares, hedge funds, property, real return funds and structured beta, and about 40% in fixed interest and cash investments.

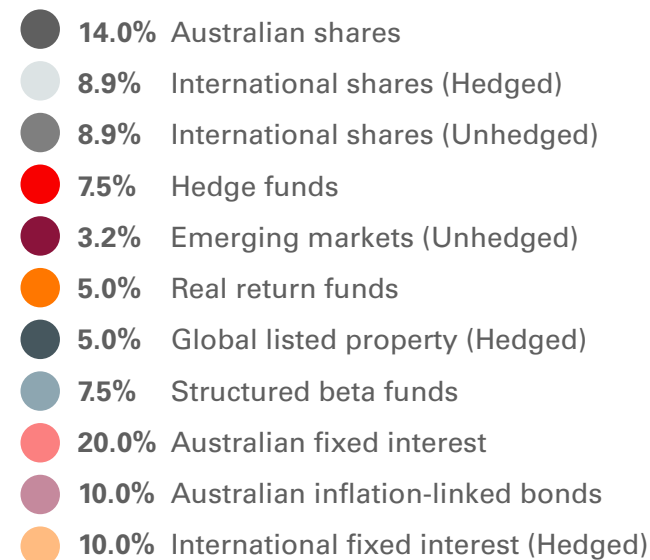
The Trustee is currently revising the Plan's investment objectives to ensure they remain appropriate.

How is the option invested?

At 31 May 2015



At 31 May 2014



Stable

What are the investment objectives for this option?

- To achieve a return (after tax and investment fees) that is at least **2.5% p.a.** more than movements in the CPI over rolling five-year periods.
- To limit the probability of a negative return over rolling 12-month periods to about **less than 2 in 20 years.**

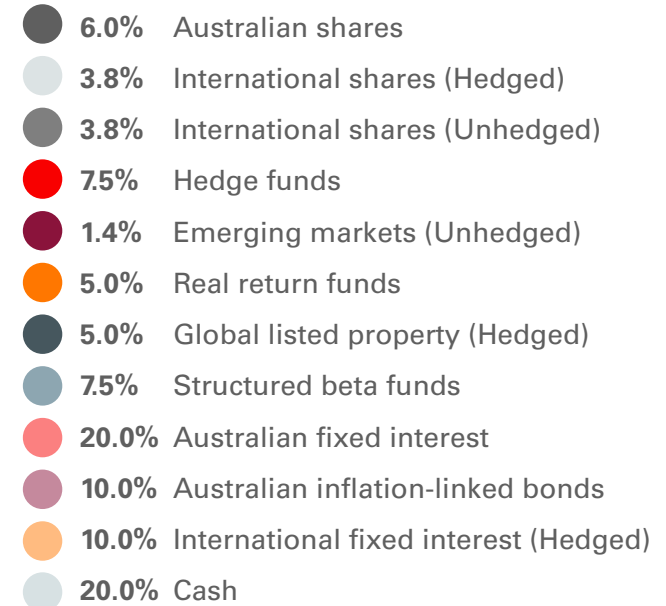
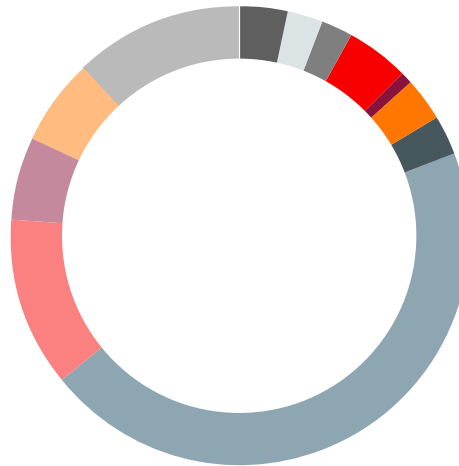
What investment strategy does this option use?

Invest about 40% in shares, hedge funds, property, real return funds and structured beta, and about 60% in fixed interest and cash investments.

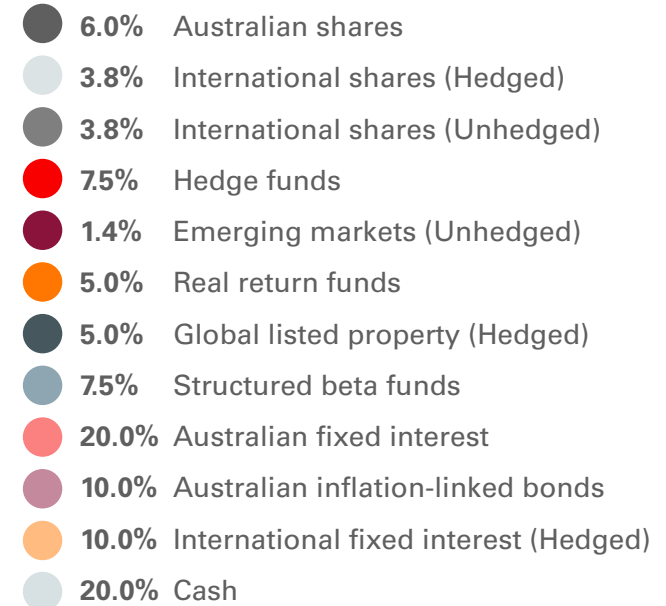
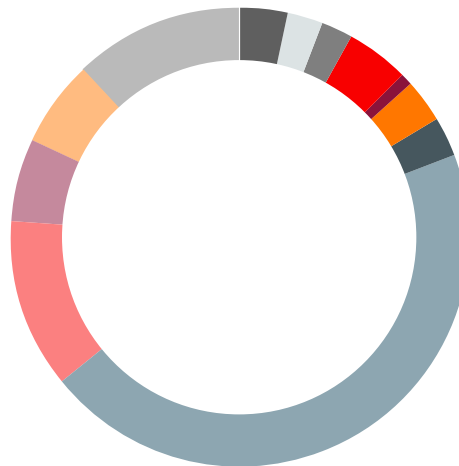
The Trustee is currently revising the Plan's investment objectives to ensure they remain appropriate.

How is the option invested?

At 31 May 2015



At 31 May 2014



Cash

What are the investment objectives for this option?

- To achieve a return (after tax and investment expenses) that is at least **1.5% p.a.** more than movements in the CPI over rolling three-year periods.
- To minimise any negative returns over moving **one-year periods.**

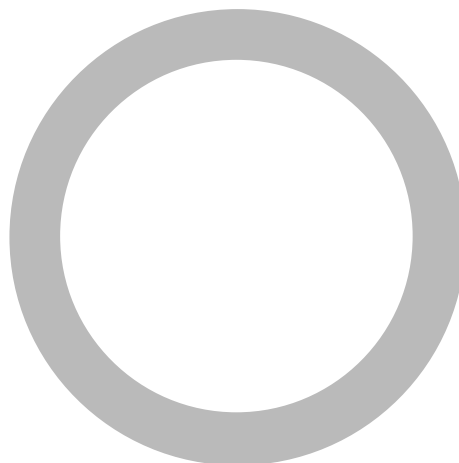
What investment strategy does this option use?

Invest 100% in short-term interest bearing assets (e.g. cash).

The Trustee is currently revising the Plan's investment objectives to ensure they remain appropriate.

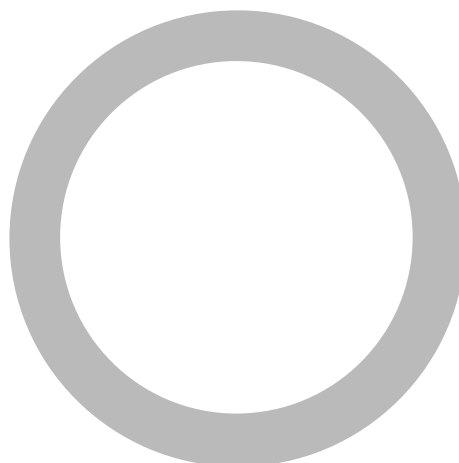
How is the option invested?

At 31 May 2015



● 100.0% Cash

At 31 May 2014



● 100.0% Cash

Super news – keep up to date

Super and retirement issues have made the headlines again in the past year. Read on to learn about the developments in super, including changes to the age pension and future reform.



2015 Budget update

Cost cutting proposals announced in the 2015 Federal Budget related to eligibility for the age pension, and these measures are now law. The Budget did not, however, include any changes to super or how super contributions are taxed. Some of the 2014 Budget proposals on pensions have now also been scrapped. The new eligibility rules may impact your retirement planning.

Changes to age pension eligibility

From 1 January 2017, changes will be made to the age pension assets test thresholds. To qualify for a **full pension**, the current and new value of assets a person can have, in addition to their family home, are set out below.

Current threshold	Current* threshold	Threshold from 1 January 2017
Single home owner	\$202,000	\$250,000
Couple home owners	\$286,500	\$375,000

Pensioners who do not own their own home will be allowed to add \$200,000 to the new thresholds. For every additional \$1,000 of assets over the above threshold, pension payments will be reduced by \$3 (compared to the current reduction rate of \$1.50) if the pensioner is assets test affected.

The current and new thresholds for the maximum value of assets a person can have on top of their family home in order to qualify for a **part pension**, are:

	Current* threshold	Threshold from 1 January 2017
Single home owner	\$775,000	\$547,000
Couple home owners	\$1,151,500	\$823,000

However, pensioners who lose out on the part pension as a result of the reduced thresholds will be able to keep their concession cards (i.e. the Commonwealth Seniors Health Card or Health Care Card).

* Current value at the date of the Budget announcement.

Proposals scrapped

- The Government no longer intends to change the way the age pension is indexed.
- The age pension income test thresholds – the income test and deemed income test thresholds – will continue to be indexed with CPI. Last year's plans to freeze the income test threshold are now unlikely to proceed.

Financial System Inquiry

In December 2014, the Government's inquiry into the Australian financial system, led by Mr David Murray AO, concluded. The recommendations for superannuation included:

- Putting agreed objectives for the superannuation system into the law, so that policies can be made for the long-term regardless of which political party is in power;
- Requiring all accumulation funds to publish retirement income projections on member benefit statements; and
- Requiring trustees to pre-select a post-retirement product for members, which would be flexible, provide members with a regular income stream and help manage the risk of a member running out of funds due to living longer than expected.

The Government recently announced that these recommendations will be incorporated into its tax review process.

What are the latest super thresholds?

Super thresholds are usually set by the Government from 1 July each year. Below are some for 2015/16.

Government co-contributions

Under the co-contribution scheme, the Government pays up to fifty cents for every dollar of after-tax contributions you make to your super if you earn less than \$35,454 a year. The maximum co-contribution is \$500 per year, which reduces by 3.33 cents for every dollar of income above \$35,454, with no co-contribution payable once your income reaches \$50,454 a year. If you qualify for the co-contribution, the ATO automatically pays it to your account in the Plan after processing your annual tax return.

Contribution caps

Contribution caps are limits the Government sets on the amount of super contributions each year which can receive concessional tax rates. The caps have not changed since last year and are shown in the table below.

Age on 30 June 2015	Concessional contributions	Non-concessional contributions
Under age 49	\$30,000	\$180,000*
Age 49 or over	\$35,000	\$180,000*

* If you are under age 65, you can generally bring forward two years of caps to make total non-concessional contributions of up to \$540,000 over three years from 1 July 2015 (but with reduced or nil contributions in the following two years).

What are concessional and non-concessional contributions?

Concessional contributions include the Company's compulsory contributions and any contributions you make from your before-tax salary (by salary sacrifice). If the Company pays any administration or insurance fees for you, these are also counted as concessional contributions. For the 2015/16 financial year, it is expected that the administration fees paid by Oracle for employee members will be around \$400 per member and annual insurance fees will be between 0.5% and 1% of your salary. The insurance arrangements are currently being reviewed and further details regarding the administration and insurance fees that will apply will be provided to employees in the coming months.

Contributions you make from your after-tax salary are an example of **non-concessional contributions**, along with any contributions made for you by your spouse, amounts you transfer from overseas funds (except to the extent an election applies to them to be taxed in the fund), excess concessional contributions (except if they are refunded to you) and certain other less common amounts.

What happens if I exceed the caps?

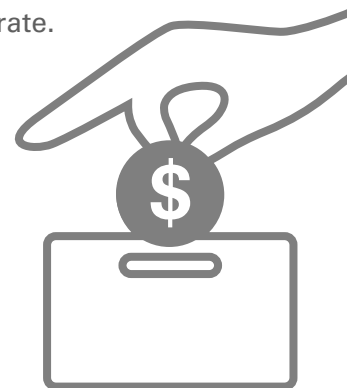
If you exceed the caps, the ATO will forward you a tax assessment.

Excess concessional contributions are included in your assessable income and taxed at your marginal tax rate, plus an additional charge reflecting that excess contributions tax is paid later than normal income tax.

Members who exceed the concessional contributions cap can elect to release up to 85 per cent of the excess contributions from the superannuation system. If you choose to do so, the amount will be paid by the Plan to the ATO, where it will first be used to meet any outstanding tax liabilities you may have (including the tax on the excess contributions) with the remainder then paid back to you. Excess contributions withdrawn do not count towards your non-concessional cap.

If you exceed the non-concessional cap, you can now elect to release the excess contributions from super, together with an amount of associated earnings. The ATO will send you a form to enable you to do this. The associated earnings will be included in your taxable income and taxed at your marginal tax rate.

If you don't elect to withdraw all the excess contributions, they may be taxed at up to 47% plus the Temporary Budget Repair Levy.



What are associated earnings?

An amount that the ATO calculates using a set interest rate, to estimate what your contributions might have earned. It may not reflect the actual earnings on the contributions in the Plan.

Information about the Plan

How your Plan is managed

The Plan is managed by a Trustee with input from the Policy Committee. The Trustee uses a number of advisers who provide services to the Plan.

Your Trustee

A Trustee company, Towers Watson Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049) is responsible for managing the Plan. They have been licensed to act as a Trustee by the Australian Prudential Regulation Authority (APRA), the prudential regulator of super funds in Australia.

Towers Watson Superannuation Pty Ltd is a subsidiary of Towers Watson Australia Pty Ltd (ABN 45 002 415 349, AFSL 229921), who also acts as Administrator (via an outsourced arrangement), consultant and secretary to the Plan. See under “Advisers to the Plan” to the right for more information.

How to contact the Trustee



Oracle Superannuation Plan
Towers Watson Superannuation Pty Ltd
GPO Box 468
Sydney NSW 2000



(02) 9253 3333



(02) 9253 3199



oracle.australia@towerswatson.com

Your Policy Committee

A Policy Committee ensures that the interests of members and the Company are represented in the management of the Plan. The Committee comprises six members, with half appointed by the Company and half elected periodically by members.

At 31 May 2015, members of the Policy Committee were:

Company-appointed	Member-elected
Gareth Hunt	Mark Ferguson
Brett Reeves	Charles Harb
Edweena Stratton	George Tanas

In August 2015, Charles Harb resigned from the Policy Committee. Edweena Stratton stood down to ensure the Policy Committee maintained equal representation.

The next Policy Committee election will be held in March 2016.

Indemnity insurance

The Trustee is currently covered by a Trustee Professional Indemnity insurance policy that protects the Plan’s assets from a legal liability to the extent allowed by law and the policy conditions.

Advisers to the Plan

The following organisations provide specialist services to the Trustee.

Consultant and actuary	Towers Watson Australia Pty Ltd
Administrator	Towers Watson Australia Pty Ltd (outsourced to Link Super Pty Limited (ABN 68 146 993 660) a Corporate Authorised Representative (No. 401938) of Pacific Custodians Pty Limited (ABN 66 009 682 866, AFSL 295142))
Investment consultant	Towers Watson Australia Pty Ltd
External auditor	Deloitte Touche Tohmatsu
Insurer	AMP Limited

Did you know?

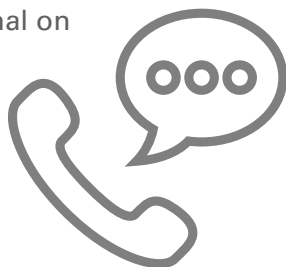
Half of the Policy Committee members are elected by members of the Plan.

If you have a problem or concern

We try to ensure that the Plan's level of service meets your expectations. Sometimes however, problems may arise. When you first have an enquiry or complaint, including privacy-related enquiries, you should contact the Plan Administrator (see page 2 for contact details).

The Trustee has a formal process for reviewing enquiries and complaints if you are not satisfied with the response you receive. To make a formal enquiry or complaint, please write to the Plan Administrator (see page 2 for contact details). The Trustee will respond to you within 90 days. In certain circumstances, you may be able to request the Trustee's reasons for its decision on your complaint. A copy of the Trustee's Enquiries and Complaints Policy can be downloaded from the Plan's website at <http://mysuper.towerswatson.com/oracle>.

If you are not happy with the Trustee's handling of your enquiry or complaint, you may then contact the Superannuation Complaints Tribunal. The Tribunal is an independent body set up by the Federal Government to deal with certain enquiries or complaints that the Trustee has not dealt with to your satisfaction. You can contact the Tribunal on **1300 884 114** or by email to info@sct.gov.au.



There are some complaints that the Tribunal cannot consider, such as those relating to the management of the Plan as a whole. Time limits also apply to certain complaints relating to total and permanent disability claims and to complaints about objections to the payment of death benefits. If your complaint is in relation to one of these areas, please contact the Plan Administrator or refer to the Tribunal's website on www.sct.gov.au as soon as possible for further information.

Complaints about your privacy that have not been resolved to your satisfaction can be directed to the Office of the Australian Information Commissioner (OAIC). You can contact the OAIC on **1300 363 992** or by email to enquiries@oaic.gov.au.


What happens if you leave

If you leave Oracle or choose another super fund, your super will be transferred to the Retained Benefit section of the Plan and remain invested in the same investment option(s) for up to 180 days. Fees apply in the Retained Benefit section (see the Plan's Product Disclosure Statement for details) and all insurance cover ceases when you transfer to the Retained Benefit Section. During this period, you will be contacted by the Plan Administrator and asked how you want to receive your benefit.

The Trustee may roll your benefit over to an Eligible Rollover Fund (ERF) if:

- You fail to give the Plan's Administrator instructions within 180 days of receiving details of your benefit; or
- The fund you nominate won't accept your benefit.

The ERF is:

 The Administrator
Colonial SuperTrace
Approved Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124

 1300 788 750

 supertrace.member@cba.com.au

Once your benefit is transferred to the ERF, you stop being a member of the Plan and no longer have any rights under the Plan. You will then need to contact the ERF directly about your benefit. You can also obtain the ERF's Product Disclosure Statement using the contact details above.

The investment and crediting rate policy of the ERF will be different to those that applied in the Plan. Also, the ERF will not offer any insurance cover. You should seek advice from a licensed financial adviser about whether the ERF is a suitable investment for you.

Superannuation surcharge

The superannuation surcharge is an additional tax of up to 15% which was levied on high-income earners. The surcharge was abolished with effect from 1 July 2005. However, assessments may still be received for you for previous years.

Any surcharge assessed by the ATO as being applicable to you is deducted from your accounts when the assessment is received by the Plan. For more information about the surcharge, contact the Plan Administrator (see page 2 for contact details).

Establishing proof of identity

Before you withdraw a benefit from the Plan, you may need to establish your identity by providing certified copies of certain documents. The Trustee may also need to obtain additional identification information and to verify your identity from time to time.

In some cases, the Trustee may have to disclose information about you to the Australian Transaction Reports and Analysis Centre (AUSTRAC), the regulator of this legislation. Due to the sensitive nature of the information, the Trustee is not permitted to inform you if this happens.



Need to know more?

Other information about your benefits, such as your choices for contributions, investments and insurance levels is available at <http://mysuper.towerswatson.com/oracle>. Refer to your Product Disclosure Statement, *Your Oracle Super Guide*. A number of Plan documents are also available on the website including the Trust Deed and various Trustee policies.

Did you know?

If you leave Oracle, your super will be transferred to the Retained Benefit section of the Plan and the Plan Administrator will contact you seeking instructions.

Financial summary

Here is a summary of the Plan's unaudited financial accounts for the year to 31 May 2015. The audit is expected to be finalised by the end of September 2015. The audited financial accounts and auditor's report will be available on request from the Plan Administrator on **1800 127 953** after that date.

Change in net assets during the year		\$
Net assets at the start of the year		232,439,663
Plus income	Contributions	29,206,652
	Rollovers	13,192,524
	Net investment income	30,770,544
	Other	710,383
Less outgoings	Benefit payments	(25,167,611)
	Insurance premiums	(1,543,239)
	Tax due	(6,267,859)
	Superannuation surcharge	7,073
	Expenses and charges	(447,172)
Net assets at the end of the year		272,900,958

Statement of net assets		2014 (\$)	2015 (\$)
Investments	Karara Capital (Karara Australian Equities Fund)	12,601,117	15,380,861
	Vinva Investment Management (Vinva Australian Equities Fund)	12,453,325	15,265,796
	Merlon Capital Partners (Merlon Wholesale Australian Share Fund)	12,118,547	15,004,671
	Schroder Investment Management Australia Ltd (Australian Equities PST)	14,516,917	-
	Schroder Investment Management Australia Ltd (Australian Equities Unit Trust)	148,544	15,257,012
	Ironbark Asset Management (RREEF Global Property Securities Fund)	13,969,384	-
	Resolution Capital (Global Property Securities Fund)	-	11,045,995
	SSgA (Australian Cash Trust)	8,726,875	9,681,402
	SSgA (International Equities Index Trust [Hedged])	32,656,866	38,681,493
	K2/D&S Management Co., LLC (K2 Advisors Diversity Fund Ltd)	13,263,935	16,279,779
	BlackRock (BlackRock Fission International Equity Index Fund)	16,944,937	21,908,340
	BlackRock (BlackRock Wholesale Indexed International Equity Fund)	15,193,122	17,707,713
	Bridgewater Associates Inc (All Weather Fund)	18,266,617	20,579,766
	BlackRock (BlackRock Indexed Emerging Markets IMI Equity Fund)	11,355,063	13,959,494
	Macquarie (True Index Australian Fixed Interest Fund)	19,600,969	23,691,966
	BlackRock (BlackRock Australian Government Inflation-Linked Bond Fund)	10,053,539	11,226,673
	PIMCO Global Credit Fund	9,865,049	-
	BlackRock (BlackRock Global Bond Index Fund)	-	11,372,678
	Schroder Investment Management Australia Ltd (Real Return Fund)	9,311,577	14,603,805
	Current assets		5,318,864
Current liabilities	Benefits payable	(769,074)	(709,655)
	Taxation payable	(3,022,698)	(3,373,905)
	Other	(133,812)	(565,427)
Net assets at the end of the year		232,439,663	272,900,958

Current assets include amounts in the Plan's bank account. All contributions due at 31 May 2015 have now been paid to the Plan.