

The
standout
Industry Super Fund

For Property Professionals

Standout resilience

A bright finish to the financial year demonstrated the benefits of taking the long view when considering superannuation investments.

At REI Super, we appreciate how challenging the effects of the global economic downturn have been for our members, especially if you have retired or are looking to retire soon. However, when markets turn down, investment opportunities often turn up. Whilst times of strong growth have been routinely followed by periods of downturn, history teaches us that markets eventually recover. It is these cycles that urge us to focus on the long term.

Investment markets begin to recover

We begin the new financial year with optimism. On average, world markets have recovered more than half their losses, and this is reflected in the returns that your Fund is now achieving.

While no one can exactly predict the future, this stunning rebound reminds us of the cyclical nature of markets, and I refer you to the [investments](#) pages in this report for more information.

Our website also details the [history of investment markets](#), and reveals other information designed to help you decide what super option is right for you.

REI Super lets you tailor your investments

At REI Super we have a diverse membership, which is why we provide choices that enable you to tailor investment strategies to your own situation. Take just 20 minutes a year to read your Member Statement and make sure that your investment choice, insurance level and Fund details are up-to-date, and you are well on the way to securing your financial future. It is also a good time to consolidate your super from other funds, which we can help you with.

Help is available on 1300 13 44 33, or view [your benefits](#).



Fund elections

During the year, we also held an election for four Member Representative Directors whose terms of office had expired. All four of the retiring Directors renominated and, I am pleased to confirm, were re-elected. It is your Fund, and we encourage you to take an interest and vote in these elections.

Conserving resources

Again this year, your Fund is working to conserve resources. We know that most of you will read this Annual Report online. If you do need a hard copy, please contact the Helpline, and we will post one to you.

Your Board, Fund staff and service providers have all worked very hard over the last year in a difficult environment to protect and secure your retirement savings. On behalf of the Board, I thank our CEO and his team for the dedication and effort they have shown.

On behalf of the Board of Trustees, I am pleased to present to members this report for the financial year ended 30 June 2009.

Yours faithfully

A handwritten signature in black ink that reads "Bill Woolcock". The signature is written in a cursive style.

Bill Woolcock
Chairman

Standout online access

REI Super is a leader in embracing web technology, not only to provide you with continuous and immediate access to your Fund, but to demonstrate responsibility for our carbon footprint.

Website enhancements

Launched in September 2008, the new website provides easier and more intuitive navigation for you to quickly access the information you told us was most important to you.

Look out for the '[REI Super on the road](#)' page. It lists the events where we will be speaking to members.

Within the private (PIN access) section of the site, you can now print a detailed transactional statement of your benefits. Remember to keep your email address updated!

We have also recently launched an [insurance calculator](#) to help you determine how much coverage you might need. Further calculators are planned in the coming year.

[Email your Fund](#) with any comments or suggestions.

Investment and administration reviews

The investment strategies of your Fund are currently managed by Intech through an implemented consulting arrangement. We are reviewing Intech and also considering some alternative service providers to ascertain which ones might best meet the Fund's needs in the future.

We are also analysing our administration arrangements with Mercer, to ensure that your Fund is getting good value for money and that the services provided continue to be efficient and helpful to our membership.



Electronic employer payments

We are always looking to use technology to assist in enhancing your investment experience with REI Super. Over the next 12 months, we will be encouraging all employers who currently pay by cheque to move to electronic payment methods. This will mean more prompt crediting of contributions to members' accounts, and therefore better retirement outcomes.

Yours faithfully

A handwritten signature in black ink that reads "Mal Smith". The signature is fluid and cursive, written over a white background.

Mal Smith
CEO



Market regains feet in last quarter

Whilst markets were in decline for much of the first eight months of the financial year, in the closing four months we've seen a stunning comeback.

On average, world markets have recovered more than half their losses. This improved investor confidence has continued into the new financial year.

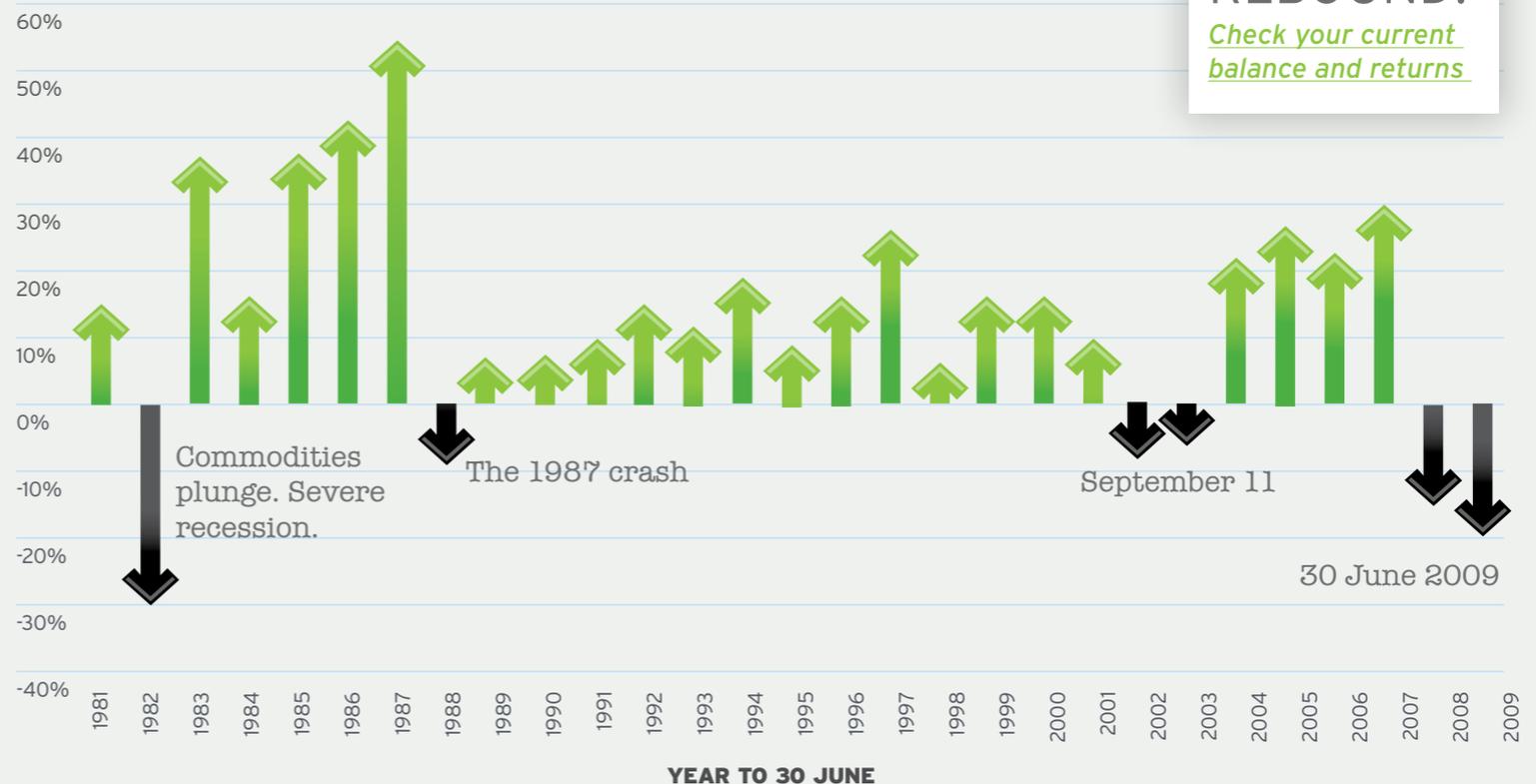
There is clear evidence, stretching back for 100 years, that times of strong growth have routinely followed periods of downturn. We are seeing the green shoots of growth in the market now.

Time in the market, not timing the market

It is time in the market that is crucial to benefitting from any recovery. Just as markets can decline quickly, their recovery can be just as sudden. Rather than trying to time your investment to market highs and lows, research has shown that staying invested for growth and riding out the volatile times has tended to give the best results. By sitting tight, you're positioned to gain from sudden upswings in the market which are otherwise hard to predict or time, as

MORE 'UPS' THAN 'DOWNS'

S&P/ASX 300 (ROLLING 1-YEAR RETURNS - 1980 TO 2009)
RETURNS



Source: Intech

Stop Press
MARKETS REBOUND!

Check your current balance and returns

we have recently seen. Chopping and changing investments during unsettled times can mean missing out on rebounds and potentially large gains.

The recent market performance shows clearly how quickly the markets can change course.

Whilst there was a decline in the value of three out of REI Super's four investment options over the first eight months of 2008/09, the Australian Shares and Super Growth options each increased more than 14% in the four months to the end of June 2009. Over that time, the Australian Shares option regained more than half of its losses over the previous eight months - and the Super Growth option recovered around one-third of its earlier losses.

Super is a long term investment - seven to ten years or more

While seeing a decrease in your immediate account balance can be unsettling, we can put this into perspective by revisiting the basics of investing to build wealth. Consider an investor's attitude to holding an investment property, for example. When used to build wealth, investors usually buy property with the expectation that its value will increase. We know that median property prices may vary with market cycles. However, when prices go down, if a property has been bought based on sound principles, most owners don't panic. Few owners check the value of their property weekly or even monthly, but generally expect the market to recover over time.

The same principles hold true for investing through super. Unless your circumstances have changed, often the best approach in a downturn is to sit tight and ride it out. When the markets recover, so too will your super balance.

Gaining more buying power

Generally when markets decline, your contributions have more buying power: they will buy more units at a lower price than the number of units you might have bought when the market, and unit price, was higher. Of course, when the market recovers, you're in a great position to benefit, because you have a larger number of units. Successful investors worldwide routinely buy quality shares at lower prices during troubled times, taking great advantage of the eventual recovery. The same is true in your super, if you stick to your strategy.

To make a personal contribution to your super [click here](#).

This graph shows the effect of time in the market, and the compounding effect of earnings over time. Past performance, though, is not a guarantee of future performance.

HOW YOUR MONEY GROWS

**CUMULATIVE DOLLAR GROWTH OF \$10,000 FROM 1980-2009
S&P/ASX 300 (ROLLING 1-YEAR RETURNS - 1980 TO 2009)**



Investment results

Over the past year, the defensive positioning of REI Super's diversified portfolios has helped reduce the severity of the impact of the downturn.

REI Super's portfolios have been managed closely to help cushion them against the recent market shocks. REI Super's investment approach focused on quality across all asset classes, which has proved a valuable strategy.

Our Australian Shares portfolio outperformed its benchmark by around 4%. We maintained investment in quality companies, and limited changes only to small moves necessary to manage risk. A similar approach in our International Shares portfolio proved beneficial, and positions us well when economic conditions improve.

Our Listed Property portfolios marginally outperformed their benchmarks. However, this asset class was most severely affected by the global financial crisis, which is reflected in investment returns.

Our defensive portfolios are invested in fixed interest assets consisting solely of government bonds. Having no exposure to credit was of great benefit throughout the crisis.

Our Cash investments returned 5.3% for the year. Our focus on quality, highly liquid, uncomplicated investments has stood us in very good stead.

See more detailed information on [REI Super's investments](#) and individual sector performance.

INVESTMENT RESULTS

INVESTMENT OPTION	Year ended 30 June 2009 (%)	Five years to 30 June 2009 (% p.a.)	Ten years to 30 June 2009 (% p.a.)	Since commencement (% p.a.)	Commencement date
REI SUPER FUND					
Super Cash	5.3	5.0	4.4	4.4	1 July 1998
Super Stable	-4.8	2.7	n/a	3.3	1 November 2003
Trustee Super Balanced	-11.8	2.8	3.6	6.2	1 July 1990 [#]
Super Growth	-19.6	1.1	2.0	2.7	1 July 1998
ELITE ACCUMULATION					
Australian Shares	-6.6	n/a	n/a	2.3	31 July 2006
International Shares	-7.0	n/a	n/a	-2.0	31 July 2006
Australian Property	-9.7	n/a	n/a	-5.8	31 July 2006
Global Property	-19.1	n/a	n/a	-7.8	31 July 2006
Fixed Income	4.9	n/a	n/a	3.6	31 July 2006
ELITE ALLOCATED PENSION					
Super Cash	6.2	n/a	n/a	6.9	31 October 2006
Super Stable	-5.5	n/a	n/a	-1.8	31 October 2006
Trustee Super Balanced	-13.2	n/a	n/a	-6.4	31 October 2006
Super Growth	-21.9	n/a	n/a	-11.2	31 October 2006
Australian Shares	-7.4	n/a	n/a	-0.6	31 October 2006
International Shares	-7.9	n/a	n/a	-4.8	31 October 2006
Australian Property	-11.1	n/a	n/a	-9.8	31 October 2006
International Property	-22.1	n/a	n/a	-14.1	31 October 2006
Fixed Income	5.7	n/a	n/a	3.6	31 October 2006

[#] Using comparable investment structure.

Please note: All returns are quoted net of fees and tax. Past performance is not an indicator of future performance.

Switching investments

Market volatility can test the nerve of the most stoic of investors. If you are thinking of switching your investment option, we suggest that you consider the following.

Investment survival checklist

✓ Hold your nerve

History tells us that markets eventually recover.

✓ Get advice

Your Fund can help you seek out professional advice to help support your decision.

✓ Consolidate your super

Transfer your super into one account to reduce your fees and make your super easier to manage.

✓ Go long

Remember, super is a long-term investment. Only ever compare the long-term performance of your Fund with others.

Switching investment options could also leave you worse off

To get the best out of your super, you need to choose the investment option which best suits your long-term goals and tolerance of risk.

Switching between options on a regular basis can be detrimental to the health of your final balance.

Timing markets is difficult

Suppose you had invested \$10,000 in the Australian share market 20 years ago. You would now have more than \$90,000. If you had switched your investment in and out of the market and missed the best 24 days in the same 20 years, you would have less than half of that return.

Even investment experts find it difficult to pick market movements, and missing just a few productive days could have serious consequences for your retirement balance.

While the Australian share market has drifted significantly since November 2007, much of this is driven by investor emotion and forced selling rather than fundamental problems with Australia's economy, which makes the timing of improvements difficult to predict.

Go long

In times of uncertainty, it's best to look to the long term and remember your original investment objectives. You should evaluate your goals and the risks of your investments before making any decision to move to another investment option.

In certain circumstances, switching to a more conservative option may be the appropriate choice. However, that's likely to apply more to people who have immediate or short-term

commitments for their super savings, and whose main issue is therefore capital protection.

Remember, if you are prepared to stay invested in shares and property during market downturns, then in the long term you can generally expect better returns than those from conservative investments, such as cash. Switching to cash after a market downturn is likely to result in missing the next market upturn.

In all circumstances, it is best to seek professional advice before making a decision.

Investment choice

To view additional information on your current investment option or how to change options, log onto [REI Super](#) website and follow these prompts:

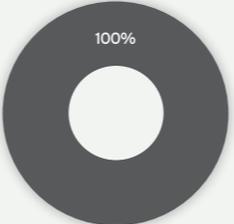
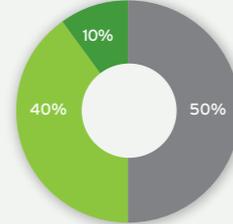
- > From the home page, click on 'Login'
- > Log in using your member number and PIN.
- > Click on 'Your Investments'
- > Click on 'Your Investment Mix' or 'Change Investment Choice'

Alternatively, call the REI Super helpline on **1300 13 44 33** where a Customer Service Representative will be pleased to assist with explaining the investment options.

REI Investment Options

	Super Growth	Trustee Super Balanced	Super Stable	Super Cash
Overall Objective	To provide members with a top-performing growth-style diversified investment option.	To provide members with a top-performing growth-oriented diversified investment option.	To provide members with a top-performing, conservative diversified investment option.	To provide members with a secure investment that has a very high chance of capital being preserved over any 12-month period, after fees and tax.
Investment Objectives	To earn a rate of return, after tax and fees, that exceeds CPI by at least 4% per annum over the average time expected to be spent by members in the workforce.	To earn a rate of return, after tax and fees, that exceeds CPI by at least 3% per annum over the average time expected to be spent by members in the workforce.	To earn a rate of return, after tax and fees, that exceeds CPI by at least 1% per annum over rolling 3-year periods.	To match and, where possible, enhance performance relative to the CPI benchmark over rolling 3-year periods.
Risk Profile	<p>High</p> <p>The Super Growth investment option is designed for members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets, and has the potential for the highest return over the long term.</p> <p>However, returns will vary, and are expected in some years to be low or negative.</p> <p>To provide an illustration of the risk profile, based on the last 30 years of market data, this option would have delivered a positive return on average in around 4 out of every 5 years.</p>	<p>Medium to High</p> <p>The Trustee Super Balanced investment option is designed for members who prefer to accept a medium to high potential return for medium risks. This option invests mainly in growth assets, with some defensive assets.</p> <p>It has potential for high returns over time, due to the significant proportion of growth assets. However, returns will vary, and are expected in some years to be low or negative, although to a lesser degree than the Super Growth option.</p> <p>To provide an illustration of the risk profile, based on the last 30 years of market data, this option would have delivered a positive return on average in around 5 out of every 6 years.</p>	<p>Medium to Low</p> <p>The Super Stable investment option is designed for members who require more stable returns. This option invests mainly in interest-bearing assets, with some growth assets. Returns have the potential to be higher than just investing in cash investments. Returns will vary, and there is a still a slight possibility of a negative return in any one year, but are likely to be more stable than options with a higher proportion of growth assets.</p> <p>To provide an illustration of the risk profile, based on the last 30 years of market data, this option would have delivered a positive return on average in around 19 out of every 21 years.</p>	<p>Low</p> <p>The Super Cash investment option is designed for members who seek a lower potential return in exchange for low risk.</p> <p>Returns will be comparatively stable, with only a negligible risk of delivering a negative return in any one year.</p>
Investment Mix	<ul style="list-style-type: none"> Australian shares International shares (hedged) International shares (unhedged) Global property Alternatives <p>Allocations shown above may vary +5%</p>	<ul style="list-style-type: none"> Australian shares International shares (hedged) International shares (unhedged) Global property Alternatives Australian property Australian bonds International bonds (hedged) Cash <p>Allocations shown above may vary +5%</p>	<ul style="list-style-type: none"> Australian shares International shares (unhedged) International shares (hedged) Global property Alternatives Australian property Australian bonds International bonds (hedged) Cash <p>Allocations shown above may vary +10%</p>	<ul style="list-style-type: none"> Cash

Elite Investment Options

	Australian Shares	International Shares	Australian Property	Global Property	Fixed Income
Overall Objective	To provide members with a top-quality, professionally managed diversified Australian shares investment.	To provide members with a top-quality, professionally managed diversified international shares investment.	To provide members with a top-quality, professionally managed diversified domestic property securities investment.	To provide members with a top-quality, professionally managed diversified global property securities investment.	To provide members with a top-quality, professionally managed bond and fixed income investment.
Investment Objectives	To earn a rate of return (gross of fees and tax) above the benchmark over rolling 5-year periods within a clearly defined risk profile. The benchmark is the S&P/ASX 300 Accumulation Index.	To earn a rate of return (gross of fees and tax) above the benchmark over rolling 5-year periods within a clearly defined risk profile. The benchmark is the MSCI All Country World ex-Australia Index with net dividends reinvested (50% hedged into \$A).	To match and, where possible, enhance performance relative to the benchmark (gross of fees and tax) over rolling 5-year periods. The benchmark is the S&P/ASX 300 Property Accumulation Index.	To earn a rate of return (gross of fees and tax) above the benchmark over rolling 5-year periods. The benchmark is the UBS Global (ex-Australia) Property Investors Index (fully hedged into \$A).	To earn a rate of return (gross of fees and tax) above the benchmark over rolling 3-year periods. The benchmark is 50% UBS Government Bond (All Maturities) Index, and 50% Lehmann Global Aggregate (hedged into \$A) Index.
Risk Profile	High The Australian Shares Option is designed for members who want higher potential returns and are more comfortable with greater fluctuations in returns. This option invests only in growth assets (Australian shares), and has the potential for high returns over the long term. However, returns will vary, and are expected in some years to be negative.	High The International Shares option is designed for members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets (international shares), and has the potential for high returns over the long term. However, returns will vary, and are expected in some years to be low or negative.	High to Moderate The Australian Property option is designed for members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets (Australian listed property), and has the potential for high returns over the long term. However, returns will vary, and are expected in some years to be low or negative.	High to Moderate The Global Property option is designed for members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets (global property), and has the potential for high returns over the long term. However, returns will vary, and are expected in some years to be low or negative.	Moderate The Fixed Income option is designed for members who require more stable returns. This option invests in interest-bearing assets (bonds), with possibly a small amount of cash. Returns have the potential to be higher than just investing in cash investments. Returns will vary, and there is the slight possibility of a negative return in any one year, but are likely to be more stable than options with a higher proportion of growth assets.
Investment Mix	 <p>100%</p> <ul style="list-style-type: none"> Intech Australian Shares Active Trust 	 <p>50% 50%</p> <ul style="list-style-type: none"> Intech International Shares Active Trust (hedged) Intech International Shares Active Trust (unhedged) 	 <p>100%</p> <ul style="list-style-type: none"> Intech Australian Property Securities Trust 	 <p>100%</p> <ul style="list-style-type: none"> Intech International Property Securities (hedged) Trust 	 <p>10% 40% 50%</p> <ul style="list-style-type: none"> Intech Australian Bond Trust (Passive) Intech International Bond Trust (H) (Passive) Intech International Bond Active Trust (H)

4 ways to grow your super

1 Take REI Super with you when you change jobs

REI Super is the industry fund for the property services sector. When you leave employment with your current employer, you can continue to enjoy the benefits of being a member of REI Super.

You should ask your new employer to direct future contributions to REI Super by providing your fund membership details to your employer. Call our Helpline on **1300 13 44 33** if you need any assistance.

By maintaining your membership of the Fund, you ensure continuity of your insurance cover, as well as the other benefits and services offered by REI Super.



2 Pay less in fees! Roll over your other super to your REI Super account

Firstly, contact your previous superannuation provider to confirm any fees and charges that you will incur by transferring. For example, it is standard practice for super funds to charge a benefit payment fee to transfer to another fund. However, some super funds also impose a substantial penalty for rolling out of their plan prior to retirement age. For these reasons, it is advisable to check the fees and penalties that your previous fund will be charging.

Now follow these three simple steps

Step 1: Log on to reisuper.com.au to download the rollover form '*Consolidate Your Super*' and print a copy.

Step 2: Complete a separate form for each previous fund that holds a current balance which you wish to transfer into REI Super. You will need to include a copy of your certified ID, which we pass to the other super fund(s).

Step 3: Return the completed form(s) and ID to:

REI Super
GPO Box 4303
Melbourne VIC 3001

The previous fund will provide written confirmation once the balance has been transferred to REI Super. You will also be provided with a written advice from REI Super confirming receipt of the monies from your previous fund.

There are no fees charged by REI Super for rolling in from other funds.

Smart
move

13 funds rolled into 1, thanks REI Super!

LUCAS WILSON, BUSINESS PARTNER,
HARCOURTS CITY SALES



It was another humdrum day in the life of a real estate agent when my phone rang and I was told REI Super was on the line.

The caller asked if I was happy with my current superannuation situation and indicated how they could help. I was not bombarded with anything else but a friendly attitude towards helping

me solve what I had thought would be an unsolvable superannuation nightmare!

All I was asked for was to fill out some simple forms and to send back to the Fund so that they could then hunt around for my lost superannuation. When asked how many I thought could possibly be they laughed at my response of 'thousands' and said the worst offender they had previously worked with had lost up to eight. Well, after finding thirteen and setting a new 'lack of responsibility' record, REI Super undertook the task of bringing them together.

Without the help of the team from REI Super, it might be fair to say that I could well have been looking at retiring on a little less than what it takes to look after a goldfish.

Thank you for asking me (not telling me) what I should be doing, and helping untangle my arrangements.

3 Find any super you may have lost

Each year, millions of dollars of super contributions are reported to the Australian Taxation Office (ATO) as lost because members change jobs and forget their old super accounts. Then when they move and don't advise their fund of their change of address, they become a lost member.

When this occurs, the super fund has to send the member's last known details to the ATO.

If you think that you may have lost contact with some of your super, you can check online at ato.gov.au/super or unclaimedsuper.com.au. See our website for more details.

By providing some personal details and your tax file number, you can search the Lost Members Register, the Superannuation Holding Account Reserve and superannuation guarantee records.

If a possible match is found, the person conducting the search is provided with the name and contact phone number of the superannuation fund that provided the information to the ATO.

REI Super regularly matches details of Lost Members with the ATO and AUSfund records. This is a free and automatic service that we provide for our members each year. For further details, or if you do not want your records matched, please call the Helpline on 1300 13 44 33.

4 Are you eligible for *free money* from the Government?

Your personal contributions may be eligible for the Federal Government's co-contributions, if:

- > Your income and reportable fringe benefits are less than \$61,920 in a year
- > You make a personal contribution (not salary sacrifice) into a superannuation fund
- > You are a permanent resident aged less than 71 at the end of the financial year in which you made a payment
- > At least 10% of your income is earned through eligible employment, which may include self-employment, and
- > You lodge a tax return.

The amount of the Government co-contribution depends on your income (including reportable fringe benefits) and your own superannuation contribution.

The ATO determines the amount of your Government co-contribution after it receives your annual tax return. This amount will be automatically credited to your account with REI Super.

You can make (after-tax) super contributions by:

- > Deductions from your salary.
See your pay master.
- > Lump Sum Cheque.
To make a personal contribution to your super [click here](#).
- > Member BPAY
To make a personal contribution to your super [click here](#).

Standout benefits

LOW-COST LOANS

As an industry fund, REI Super can offer you a range of financial products via ME Bank (Members Equity).

Low-cost home loans

REI Super's investment in ME Bank's Super Members' Home Loans program allows Fund members access to competitive variable and fixed-rate housing and residential investment property finance.

There are no establishment fees, and ME Bank's lending criteria matches that of the major banks. If you qualify, ME Bank can refinance your existing loan.

REI Super is one of the super funds participating in the program that is administered by ME Bank. Several hundred of our members already have mortgages arranged through this facility.

Call ME Bank on **13 15 63** for more information or visit their website at membersequitybank.com.au

Low-cost business loans

The Trustee also invests in ME Bank's Super Business Loans. Super Business Loans provides very competitive finance for all business needs including vehicle leasing.

Call **1300 658 108** or [visit ME Bank](#) for more information.



AFFORDABLE INSURANCE

REI Super provides flexible cover for both Death and Total and Permanent Disablement and also Salary Continuance insurance. These are provided via insurance policies with MetLife. Cover starts from \$1 per week.

These benefits are fully detailed in the Fund's [Product Disclosure Statement \(PDS\)](#) or by calling 1300 13 44 33. There is also an [insurance calculator](#) to assist you in determining the level of cover required.

Death cover

Both active and inactive members are covered for Death cover. Cover is unitised and is provided 24 hours a day, seven days a week.

Total & Permanent Disablement (TPD) cover

Members who work full-time also receive protection for total and permanent disablement. TPD cover provides protection for both members and their families. The cover is 24 hours a day, 7 days a week.

The protection applies even when the member is not at work. Refer to the Fund PDS for the full definition of total and permanent disablement.

All members received a benefit statement in September detailing their amounts of cover. If you haven't reviewed your cover recently, this might be a good opportunity to see that you and your family are adequately protected.

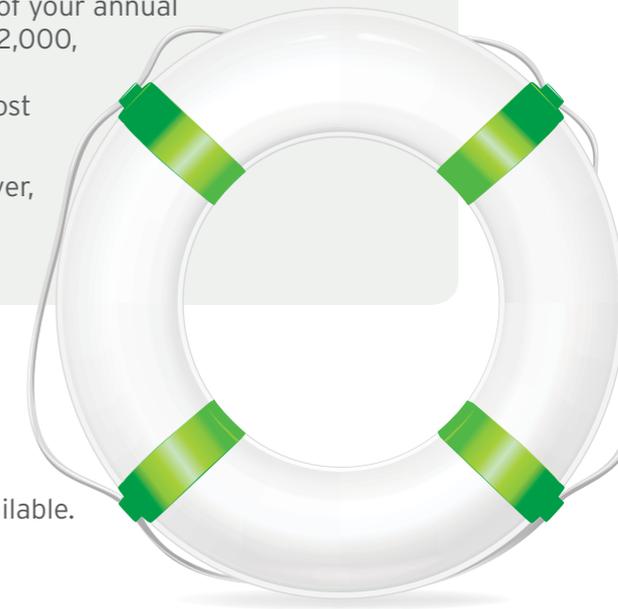
Salary Continuance Insurance (SCI) cover

The Fund offers SCI to protect a member's income in the case of an accident and/or illness.

Members can insure a fixed amount up to a maximum of 75 per cent of their salary. Salary includes commissions, retainers and bonuses.

Each unit of SCI cover provides \$100/week, and costs \$13 a year. If 75 per cent of your annual salary is, for example, \$52,000, then providing cover of \$1,000 per week would cost you \$130 per year.

[Click to apply](#) for SCI Cover, or call **1300 13 44 33**.



REI Super is concerned about our members' wellbeing

Depression is more than just a low mood - it's a serious illness that can affect any one of us. One in five people in Australia will experience depression in their lifetime.

This affects not only our members, but also their families and work colleagues. Help is available.

For information about depression, please visit:

- > beyondblue.org.au
- > lifeline.org.au

National Numbers:

- > Lifeline **13 11 14**
- > Kids Help Line **1800 551 800**
- > Mensline Australia **1300 789 978**

Who manages REI Super?

There are nine Directors of the Fund's Trustee company. Eight are appointed by the members of the Fund in accordance with the Rules for Member Representative Directors, and there is an Independent Director. The Trustee also has a Independent Chairperson.

The Board operates a number of committees, which are sub-groups of Directors, to focus on particular issues of importance to the Fund (see below).



The Directors of REI Super at 30 June 2009. Each Director's name is followed by the number of each Board Committee on which they sit.
Back row: John Greig (3,4,5), Michael Kumm (1,4), David Cameron (1,2,5), Ian Armstrong (3,4), Neville Pozzi (1,4,5), Ken Searson (3,4), John Bailey (1,2,3). **Front row:** Helen Cunningham (1,2,5), Mal Smith (1,2,3,4,5) – CEO, Bill Woolcock – Independent Chairperson (4), Beth Stratfold (3,5).

BOARD COMMITTEES

1 Administration

The Administration Committee monitors the performance of the Fund's service providers, recommends the appointment of service providers, monitors member feedback, and responds to any administration complaints.

2 Death & Disablement Claims

The Death and Disablement Claims Committee assists the Board by handling death and total and permanent disablement claims between meetings. During the 2008/09 year, the Committee considered out-of-session claims for 45 members, compared to 27 the previous year.

3 Compliance & Audit

The objectives of the Committee are to ensure that the internal control framework meets the needs of REI Super, by overseeing the Fund's compliance and audit functions, assuring the objectivity and reliability of financial reports, and assisting the Board in understanding its legal obligations.

4 Investment Review

The Investment Review Committee oversees the investment arrangements of the Fund. In particular, it works closely with the Investment Consultant to undertake strategic investment monitoring and decision-making.

5 Marketing

The Marketing Committee assists the Board of REI Super in promoting the benefits of the Fund to members and potential members.

Fund information

Fund Administration

The Fund is administered by Mercer (Australia) Pty Ltd (Mercer). Mercer is responsible for maintaining all Fund administration records, receiving contributions, paying benefits, and attending to most administrative requirements of the Fund. Mercer also provides the transactional section of the Fund website, which enables members to access their balances and undertake transactions online.

Mercer uses a range of sophisticated systems to assist with the smooth running of the Fund.

Trust Deed Amendments

The Trust Deed was amended in February 2009 to include the new definitions of Australian law in respect of the treatment in superannuation of persons in same-sex relationships, which took effect from 1 July 2008.

These changes, while important and other than permitted by law, did not, in the Trustee's view, adversely affect any members or beneficiary's rights or claims to accrued benefits. Members wishing to obtain further details about any of these changes can do so by contacting our Helpline.

Trustee Indemnity Insurance

The Trustee has arranged a policy for Trustee Indemnity Insurance cover, which is designed to provide added protection for the Fund's assets.

Advice about your super

Whilst the Trustee and the Fund Contact can give you information about your benefit in the Fund, neither they nor your employer can provide you with any advice. If you require any advice about superannuation, you should consult an appropriately licensed financial advisor.

Service providers

The Trustee has appointed a number of specialist service providers to assist with the smooth and professional operation of the Fund.

They are:

Investment Advisor and Implemented Investment Manager - Intech Fiduciaries Limited ABN 54 071 808 501

Fund Administrator and Advisor - Mercer (Australia) Pty Ltd ABN 32 005 315 917

Fund Accountant and Taxation Advisor - Sharyn Long Chartered Accountants ABN 51 713 229 511

Auditor - Ernst & Young ABN 75 288 172 749

Bank - ANZ Banking Group ABN 11 005 357 522

Custodian - BNP Paribas Securities Services ABN 71 002 655 674

Insurer - MetLife Insurance Limited ABN 75 004 274 882

Solicitor - G Banner Consulting Pty Limited ABN 78 079 976 373

Protecting your privacy

Your Fund holds personal information about you (such as your name, address, date of birth, salary and tax file number) in order to provide your super benefits. This personal information may be disclosed as necessary to the Fund's administrator and professional advisors, insurers, Government bodies, employers, and other parties.

The Fund has a privacy policy that sets out in more detail the way your personal information is handled. If you would like a copy of the Fund's privacy policy, please contact the Fund's Privacy Officer or see our [website](#).

REI Super - Helpline 1300 13 44 33

The REI Super Helpline is open from 8.30am to 5.30pm (EST) Monday to Friday (national business days) and receives a broad range of enquiries from Fund members.

The Helpline can also provide general advice to members on such issues as investment choice and insurance options. Our Fund Administrator, Mercer, operates the REI Super Helpline.



Smart
move

I manage
all my super
obligations online now

MICHELLE PAGE, ADVERTISING MANAGER –
BIGGIN SCOTT CORPORATE

I use MercerSpectrum each month to pay 12 offices' superannuation.

Having MercerSpectrum to use has made the task a lot easier.

I use one program to make the payment, and the program disburses it to the employees' chosen super fund. There are no cheques to write out, and no paperwork to complete. If I have a new member or new super company, I merely add them into the program.

Fees and other costs

The costs of running the Fund are managed carefully

Administration fees are deducted from members' account balances each month. For members with insurance cover, the cost of cover is also deducted from members' accounts according to the number of insurance units held. In addition, employer and pre-tax member contributions (such as salary sacrifice) are subject to contributions tax, which is deducted from your account.

Investment management fees are also paid to the investment managers for managing the Fund's assets, and these vary according to the investment option selected.

You should read all the information about fees and costs, because it is important to understand their impact on your investment. Please refer to the Fund's Product Disclosure Statement (PDS) for more information. You do not pay GST on any of the fees and charges set out below.

Insurance fees

The cost of insurance premiums is also passed on to members by deduction from their accounts. Please refer to the Fund's PDS for more details.

Indexation of fees

The Family Law service fee set out in the Fees table on the following page will be indexed annually each year in line with AWOTE.

Fee increases (other than indexation)

The Trustee has the right to increase fees at any time. You will receive at least 30 days' notice of any increase in fees.

Buy/Sell spread

Buy/sell spreads apply when contributions are made, when transfers are received, or when you switch from one investment option to another.

The buy/sell spread is a percentage of the amount involved (being contributed, transferred, switched or withdrawn) that is charged by the Fund to cover the costs associated with the transaction. These include fees charged by investment managers; brokerage, settlement and clearing costs; stamp duty; and other fees that would be incurred in buying or selling part or all of the underlying investments.

The buy/sell spread applicable to each investment option is shown in the table below. The percentage is applied at the time of making a contribution, transfer, switch or withdrawal from the Fund. This fee is additional to the fees and costs detailed in the Fees table.

The Buy/Sell spreads for the Fund's investment options are:

Super Growth	0.50% (50 basis points)
Trustee Super Balanced	0.40% (40 basis points)
Super Stable	0.18% (18 basis points)
Super Cash	Zero (0 basis points)
Australian Shares	0.60% (60 basis points)
International Shares	0.50% (50 basis points)
Australian Property	0.40% (40 basis points)
Global Property	0.70% (70 basis points)
Fixed Income	Zero (0 basis points)

Government-imposed taxes and charges

The Federal Government imposes the most significant taxes and charges levied on the Fund. Employer contributions on behalf of employees and before-tax contributions by employees are taxed at 15 per cent. Earnings on investments are also taxed at 15 per cent. Capital gains tax can also apply, depending on the asset and the length of time it is owned. Income tax paid by the Fund in 2008/09 was over \$2.4 million.

As the Government's superannuation regulator, the Australian Prudential Regulation Authority (APRA) charges each superannuation fund a fee to fund its activities and provide supervision to the industry. During the year REI Super paid \$104,000 in fees to APRA.

Member Protection

Federal Government legislation limits the amount of fees and charges that can be applied to certain small superannuation account balances. If your account balance is less than \$1,000 at the end of a member reporting period (generally 30 June each year) or at your date of exit from the Fund, and your account includes any employer superannuation guarantee contributions, the Trustee currently applies this requirement to limit the total fees (excluding insurance premiums and taxes) charged to your account to the investment earnings credited to your account in that period.

REI Super fees and costs

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment in REI Super	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment - either by you or your employer	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	\$55	The withdrawal fee will be deducted from your benefit at the time of payment (including partial withdrawals and closing your account). Not applicable for Pension members.
Termination fee The fee to close your investment	Nil - included in withdrawal fee	Not applicable
Management costs		
The fees and costs for managing your investment in REI Super	An administration fee (\$1.50 per week for Accumulation Fund members, and \$3.50 per week* for Pension Fund members), plus up to 0.21% of your balance (estimate), plus fees which represent the Fund's Indirect Cost Ratio (ICR). This is a fee for managing the Fund's investments. These fees are deducted before earnings are credited to member accounts as follows: Super Growth - 0.68% - 0.78% of your balance Trustee Super Balanced - 0.44% - 0.54% of your balance Super Stable - 0.34% - 0.44% of your balance Super Cash - 0.15% of your balance Australian Shares - 0.57% of your balance International Shares - 0.75% of your balance Australian Property - 0.25% of your balance Global Property - 0.77% of your balance Fixed Income - 0.33% of your balance	The fixed administration fee is deducted from your account balance monthly in arrears. The percentage fees shown are deducted as part of the calculation of unit prices. These amounts are estimates, and may vary from year to year. The percentage fee ranges shown for the Super Growth, Trustee Super Balanced and Super Stable investment options are as a result of 'performance-based' investment fees for some underlying investment managers. None of the other investment options currently have any exposure to managers that charge performance-based investment fees.
Service fees		
Investment switching fee The fee for changing investment options	Nil	Not applicable
Family Law fees A one-off fee for Family Law information and splitting a superannuation payment upon receipt of a splitting agreement or court order	\$340	This fee will be invoiced directly to the relevant party.

* Note that where the actual expenses incurred by the Fund are less than the amount financed by this 0.21% deduction, the additional amount is credited to your account via an (upwards) adjustment to the weekly unit price. Note that 100bp (basis points) equals 1.00%.

If you change jobs

Take REI Super with you. The Fund has been structured with portability in mind.

You can retain your membership, and therefore benefits in the Fund, while transferring between employers.

Your existing Death and Disablement insurance cover will continue for a period of 12 months, regardless of your employment status.

If you are a current member of REI Super, your new employer can join REI Super as a participating employer by completing:

- > an [Employer Application](#); and
- > a [Transfer of Membership Between Participating Employers](#) form.

There are no joining fees!

The Fund can accept voluntary contributions from a member for up to 2 years after they have left employment.

There are no charges for changing employment and retaining membership of REI Super. If you are not continuing employment, and your REI Super account has over \$1,300, you are able to retain it in the Fund. The normal weekly administration fee applies.

If you have a benefit from another fund, you can transfer (rollover) that benefit into REI Super. There are no charges for having superannuation benefits rolled into the Fund. You can access the form and instructions from our website.

REI Super members can also transfer their benefits to another fund when they change employer, subject to a withdrawal fee. You might find also that you have some lost super! There is currently over \$12 billion in lost super in Australia.

Eligible Rollover Fund (ERF)

The Superannuation (Industry) Supervision legislation allows the REI Super Trustee to pay a member's benefit to an eligible rollover fund once a nominated period of time has elapsed after a benefit becomes payable and the member has not given a direction to the Trustee.

Currently, the legislation also requires that the Trustee must pay a member's benefit into an ERF if the member becomes a 'lost member'. A lost member is one who has been written to by the Fund at least twice with mail returned unclaimed.

If your REI Super account balance was less than \$1,300 or you were deemed as lost during the year, the Trustee will use its discretion under the relevant legislation to transfer your account into Australia's Unclaimed Super Fund (AUSfund) ERF. Members affected by this Trustee decision are notified.

AUSfund is an eligible rollover fund where all accounts are protected. Member accounts transferred to AUSfund continue to receive interest, but insurance cover is not provided.

The ERF can be contacted as follows:

AUSfund
PO Box 2468
Kent Town SA 5071

Tel: 1300 361 798
Fax: 1300 366 233
Email: admin@ausfund.net.au



Financial Statements

Abridged Statement of Financial Position as at 30 June 2009

	2009	2008
	\$ ('000)	\$ ('000)
ASSETS		
Investments	596 845	656 699
Cash at bank	9 980	11 993
Sundry debtors	100	100
Tax assets	26 372	15 366
Total Assets	633 297	684 158
LIABILITIES		
Benefits payable	153	33
Sundry creditors	1 023	1 016
Employee benefits	46	34
Provision for income tax	4 853	9 537
Total Liabilities	6 075	10 620
Net Assets Available to Pay Benefits	627 222	673 538
Represented by:		
Liability for Accrued Benefits		
Allocated to Members' Accounts	620 933	672 940
Unallocated Amounts	6 289	598
Liability for Accrued Benefits as at 30 June	627 222	673 538

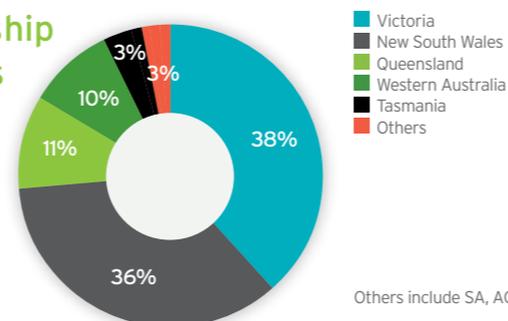
Abridged Operating Statement for the year ended 30 June 2009

	2009	2008
	\$ ('000)	\$ ('000)
REVENUE		
Net investment revenue	(85 200)	(91 442)
Contributions revenue	87 802	104 726
Transfers from other funds	12 622	19 234
Insurance proceeds	1 003	709
Group life rebate	1 410	0
Total Revenue	17 637	33 227
EXPENDITURE		
Contribution surcharge	9	41
Group life insurance premiums	2 277	1 802
General administration expenses	3 970	4 106
Total Expenditure	6 256	5 949
Benefits Accrued as a result of Operations before Income Tax	11 381	27 278
Income Tax Expenses	2 404	4 081
Benefits Accrued as a Result of Operations	8 977	23 197

The Financial Statements of the Fund have been audited and an unqualified auditor's report has been received.

Net assets: **\$627M+**
 Employee members: **32,155**
 Pensioners: **99**
 Employer members: **5,533**

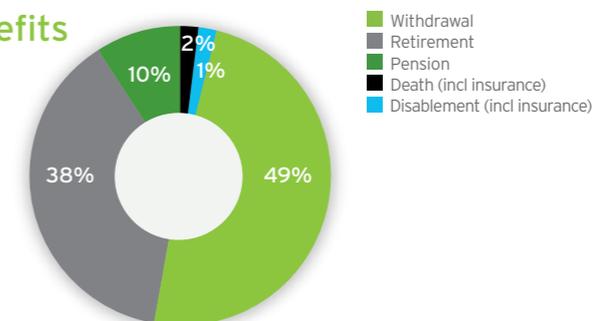
Membership statistics



Victoria
 New South Wales
 Queensland
 Western Australia
 Tasmania
 Others

Others include SA, ACT, NT and Overseas

Benefits paid



Withdrawal
 Retirement
 Pension
 Death (incl insurance)
 Disablement (incl insurance)

REI Super Elite

'REI Super Elite' – a high-quality, low-cost option exclusively designed for members with over \$100,000 in their super account

Your Super, Your Way

Tailor your super to your individual needs – without the headaches, compliance and costs of self-administration.

REI Super Elite gives you:

- > Four diversified and five single-sector investment options, plus the flexibility to select any combination of options and switch at any time without a switching fee.
- > Salary Continuance insurance, with a choice of 30, 60 or 90-day waiting periods for benefits payments
- > Extensive Life and Total and Permanent Disablement insurance - with either a fixed or declining insured value
- > A range of retirement Pension options to suit your income requirements
- > Personal financial advice to tailor REI Super Elite to your individual needs

If your account balance is over \$100,000 and you have not yet joined Elite, please call the Helpline on **1300 13 44 33**.

REI Super Elite Pension Options

An allocated pension is a way of using the super money you have accumulated to provide a regular income.

The REI Super Elite Pension is available if:

- > You have, or intend to, permanently retire from the workforce (that is, you do not intend to work more than 10 hours per week ever again), OR

- > You have reached your superannuation 'preservation' age (currently 55), intend to continue working, and wish to draw an income from your existing super money.

If you are a member of REI Super Elite, you may transfer part or all of your super account into an Account Based Pension or a Transition to Retirement Pension (TRP).

We recommend that you seek financial advice through the Fund before proceeding with your pension application. If you become an REI Super Elite member, we can also arrange financial planning advice.

Please call the Helpline on **1300 13 44 33** to arrange an appointment.

Investment performance of the REI Super Elite options

REI Super has an additional five sector-specialist investment options, which may be particularly relevant to high-net-worth real estate professionals.

If you become a member of REI Super Elite, you will have the opportunity to tailor asset allocation, using the Elite sector-specialist options as building blocks to construct your preferred portfolio. The sector specialist options, which are made up of Intech sector trusts, serve to complement REI Super's existing diversified options (Super Growth, Trustee Super Balanced and Super Stable) plus Super Cash.

These diversified options, designed to cover the broad risk spectrum, already use these sector trusts to create a portfolio mix that matches the risk profile of each option.

Ultimately, these Elite sector options offer you greater control over the mix of assets within your investment portfolio.

[Click here](#) for more information about Elite investment options.

Smart
move

I'm saving tax while growing my super

SUSAN MACGREGOR
OFFICE MANAGER - DRUMMOYNE
WARWICK WILLIAMS REAL ESTATE



Some months ago, I committed to Super Elite and the Transition to Retirement Allocated Pension, solely with the help and advice I received from the REI Super Financial Planning consultant.

I have nothing but praise and admiration for the fantastic service

I have received. Our discussions, together with an interested work colleague, were very comfortable from the start, and at all times I felt most confident in our dealings.

Nothing was ever too much trouble for REI Super, and I was impressed with their attention to my personal needs, advice and friendly response to all my enquiries.

Choosing Super Elite was a very positive step for me, as it is so flexible, cost-effective and allows me control over my savings. For the first time, I feel confident about my superannuation, and I thoroughly recommend REI Super Elite and REI Super's services to anyone who is contemplating doing likewise.

Contact us

1300 13 44 33

Between 8.30am and 5.30pm
AEST (Local call cost within Australia - calls from mobile phones may cost more)

www.reisuper.com.au

FAX: (08) 8110 3495

EMAIL: reisuper@mercerc.com

POSTAL ADDRESS: REI Super, GPO Box 4303, Melbourne VIC 3001

IF YOU HAVE A PROBLEM

Most queries can be sorted over the phone.

If you are not satisfied with our response, REI Super has formally established and approved procedures for handling complaints from members. The procedure provides members with a mechanism to lodge complaints and to have them answered.

In the first instance, complaints should be in writing and addressed to:

The Complaints Officer
REI Super
GPO Box 4303
Melbourne VIC 3001

The Complaints Officer will consider a member's complaint and respond in writing. If members are not completely satisfied with the response, or consider that they have been disadvantaged by a decision, they should formally notify the Fund that they dispute the decision. In this case, their letter to the Complaints Officer should be headed 'Notice of Dispute'. The Fund will consider and respond to the notice of dispute within 90 days.

Members have a further avenue of redress if they do not receive a response within 90 days or are not satisfied with the response.

If the above procedures have been followed, members can then approach the Superannuation Complaints Tribunal for assistance with their dispute.

The Superannuation Complaints Tribunal can be contacted on **1300 780 808**.

REI SUPER SUPPORTS THE REAL ESTATE INSTITUTES AND OTHER ORGANISATIONS:

