Super update

From REI Super
Your Industry Super Fund

Inside:

- CEO Mal Smith: Year in review
- Changes to super
- Sally's story
- Investment update

Go to **reisuper.com.au/checklist** and get your super sorted

MySuper Authorised

SUPER RATINGS

SUPERRATINGS GOLD 2017 CHOICE SUPER

SELECTING SUPER AAA QUALITY
INDEPENDENT RESEARCH CONDUCTED BY RAINMAKER INFORMATION. LIC 20150522

REISuper

An Industry SuperFund

More strong returns for your REI Super account

2016/17 was again a fascinating financial year in investments, with world political events influencing the course of markets, including the election of Donald Trump as the US President, bringing initially optimism as well as plenty of challenges and volatility to markets.

Against this backdrop, we have prudently managed the Fund's investments to continue to deliver very strong long-term returns to our members' accounts.

Our Balanced option delivered a net investment return of 8.46% for the year, which was well in excess of its performance objective of inflation plus 3%.

And when measured over the five years to 30 June 2017, the Balanced option has provided members with an average annual net return of 10.02% per annum.

See inside your member benefit statement for full details of the performance of all the Fund's investment options.

Some super changes

Members may be aware of various changes to super that took effect on 1 July this year. The amount that can be held in a super pension account is now capped at $1.6 million. And the government has placed lower caps on amounts that can be contributed to super both before tax and after tax. See the information overleaf for more details.

Past returns are no guarantee of future performance, and investment returns of less than one year should not be relied upon as any guide to future performance.

Did you know you can get personal financial advice from REI Super?

Remember that as a member of REI Super you can access personal financial advice - and that includes advice on how to maximise your superannuation savings and save on tax. You can have an advice appointment in person, over the phone or via live video link.

Contact us to make your appointment to take advantage of this great service.

Yours sincerely,

Mal Smith
Chief Executive Officer

Making the most of your super

We make it easy to grow your super by keeping fees low and maintaining a record of strong, long term net investment returns. In the 5 years to 30 June 2017, our Balanced option has delivered a net average of 10.02% p.a. which is well in excess of the net median* Balanced option return of 9.97%p.a. over the same period.

Insurance designed for people in real estate

Affordable death and disablement cover, the ability to change your level of cover at any time and Income Protection insurance that covers commissions income.

Financial advice is just a phone call away

From super advice over the phone through to face-to-face comprehensive advice, we're there for you.

Investment control at your fingertips

With ten investment options on offer, covering all the major asset classes, you have control of your super. Move from one strategy to the other seamlessly or mix strategies if you choose.

You can do it all yourself online.

Tax effective regular retirement income

Whether you're easing back or stopping work altogether our Pension options give you peace of mind, with a tax effective regular income.

*SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2017.
Future investment performance can vary from past performance, and you should not base your decision to invest in REI Super simply on past performance. Past earning rates are not an indicator of future earning rates. The investment returns of REI Super are not guaranteed, and the value of the investment may rise or fall.

Tick the boxes - to SUPER CHARGE your super

We've made it easy to cover off all the little (and big) things that get your super on track and invested the way you need.

Go to reisuper.com.au/checklist and get started today

‘This will make a big difference at the other end of our working life.’

Sally Knight
REI Super Member

REI Super member profile

Spouse contributions keep Sally’s super growing.

Sally Knight started out in real estate in Shepparton after finishing school. Her super fund was REI Super. But it wasn’t long until Sally met Andrew, got married and moved to Echuca.

‘I started a new career when I moved to Echuca, outside the real estate industry, but kept my money with REI Super. I’ve been really happy with REI Super - the returns, the information I get, and the fact it’s an industry fund. It was easy to stay with the fund so I did.’

‘Then along came Hudson, our first child.’

‘This was the time when we decided to get financial advice. Back to one wage, we wanted a plan to manage the present and still look out for our future. Our advice included continuing to contribute to my super through spouse contributions, which we have done. It saves on some tax and keeps my super growing.’

‘It’s not easy at times to manage this with the pressure of mortgages and daily needs, but we are glad we have. My super is growing and I’m close to where I might be if I was working full time. This will make a big difference at the other end of our working life.’

‘Our family is growing, with twins on the way. Looks like I’ll be busy being a mum for some time to come!’

Investment and performance update

With the election of Donald Trump as US President in November 2016, share markets produced some interesting and volatile results over the financial year, and it was certainly a period that required active investment management.

The financial year was one of two distinct halves:

- In the first six months – two things drove Australian and US share markets: growth in commodity markets and the initial enthusiasm around the election of the Trump Administration, with talk of increased infrastructure spending, economic stimulus, and improved consumer confidence.
- In the second six months – as the reality of the new Administration became apparent, US and Australian markets were much softer. During this time, more promising investment signs emerged from European, Japanese and emerging markets.

Unlisted property and infrastructure continued to perform well.

With listed property (AREITs), historically high asset values came under pressure as investors focused on the likely effect of higher interest rates in the future on these assets. Listed property declined by over 6% during the financial year.

Our decision to progressively reduce our exposure in Australian listed property from around 6% to under 1% by the end of the financial year helped cushion the portfolio from this correction in valuation.

Strong returns for members

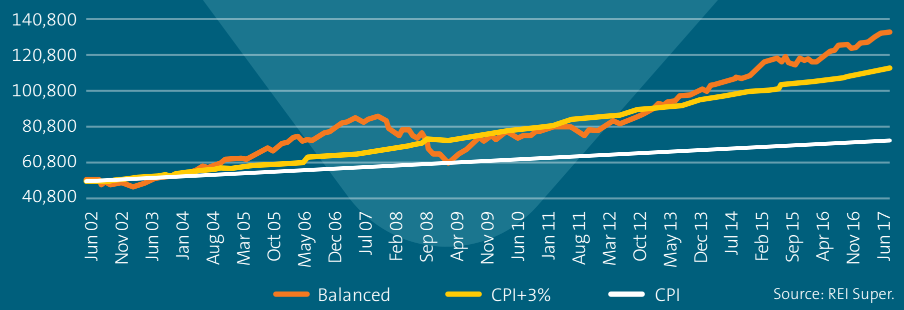
Very pleasingly, REI Super's Balanced option delivered a net investment return of 8.46% for the financial year to 30 June 2017, well in excess of its performance objective of inflation (CPI) plus 3%.

When measured over five years, the Balanced option has provided an average net investment return of 10.02% per annum.

This is a great result for REI Super members and testament to the benefits of our disciplined strategy of investing in assets that are well-priced and that have a high level of potential to provide excellent long-term returns for members, with an acceptable level of risk.

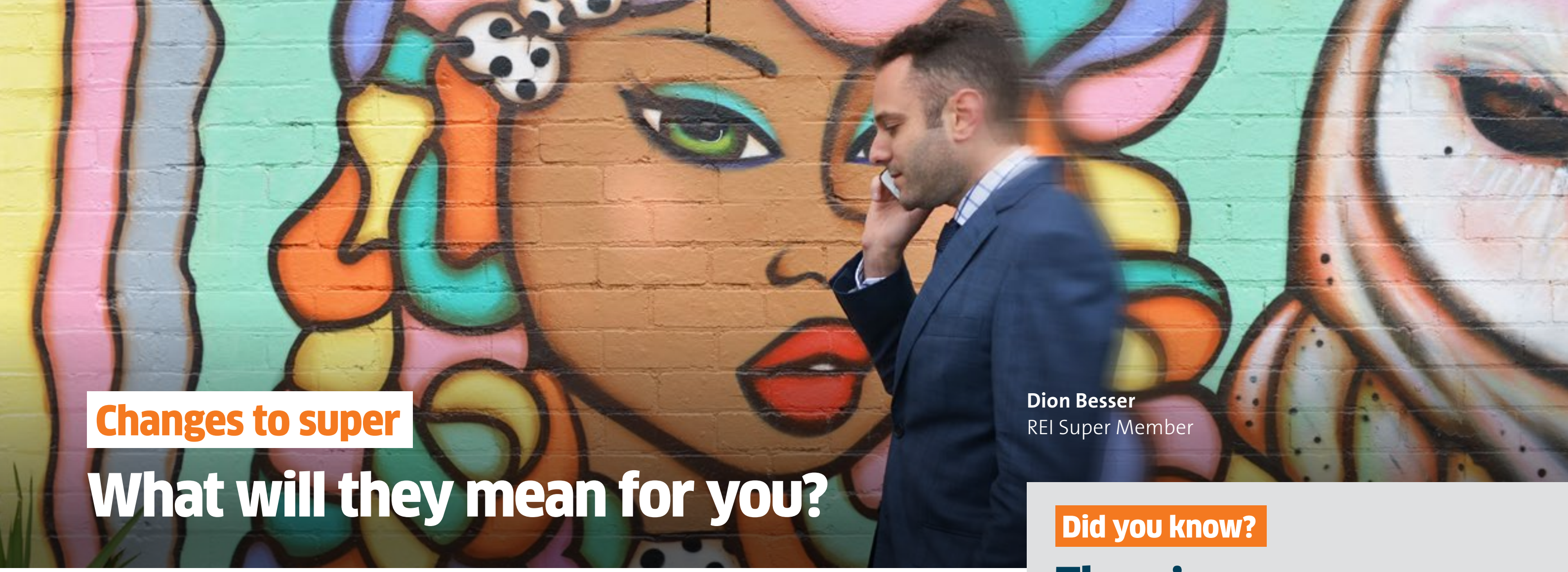
Future investment performance can vary from past performance, and you should not base your decision to invest in REI Super simply on past performance. Past earning rates are not an indicator of future earning rates. Investment returns of less than one year should not be relied upon as any guide to future performance. The investment returns of REI Super are not guaranteed, and the value of the investment may rise or fall.

REI Super – Balanced option (Value of $50,000 over 15 years)



Source: REI Super.

Disclaimer: net of investment fees and tax. No contributions paid in and no benefits paid out.



Dion Besser
REI Super Member

Changes to super

What will they mean for you?

Lower contribution limits, new taxes and tax thresholds, and new limits for pensions, are among several changes to superannuation rules that came into effect on 1 July 2017.

The most significant of these changes are:

Introduction of a transfer balance cap

This is the amount you can have in a Pension account or the amount you can transfer from your super account to a pension account. As of 1 July 2017 this has been capped at $1.6 million. Previously there was no limit.

Members who had more than $1.6 million in a pension account at 1 July 2017 have been required to take out the excess amount and transfer it back to a superannuation account or withdraw the amount from super.

Amounts above the $1.6 million cap now have to pay tax on the notional earnings related to that excess.

Tax-exempt status removed for TTR pensions

Previously all earnings within Transition To Retirement (TTR) Pensions were tax-free. They are now treated the same as accumulation accounts in super, with earnings taxed at 15%.

Abolition of anti-detriment payments

This was a top-up payment as part of a death benefit where the beneficiary was a dependant. The top up amount was a refund of the member's lifetime superannuation tax payments into an estate.

New cap on concessional contributions (employer contributions and salary sacrifice)

This is now $25,000 p.a. regardless of age.

Improved access to concessional contributions

Everyone under 65 or up to 74 who meets the work test is now able to claim a concessional tax contribution up to the $25,000 threshold.

Lower non-concessional (after tax) contribution limits

Previously limits were $180,000 p.a., with the ability to contribute up to $540,000 over three years in advance. These limits have been reduced to $100,000 p.a. and $300,000 over three years, provided you are less than 65 years of age and your balance is less than $1.6 million.

Other changes include:

- A shift from the Low Income Super Contribution (LISC) to a new scheme with lower thresholds.
- Lower thresholds for high income earners paying additional contributions tax, down from incomes of over $300,000 p.a. to incomes of over $250,000 p.a.
- From 1 July 2018 you will be able to make 'catch up' concessional contribution payments for amounts under the contributions cap within a five-year period.

Did you know?

There's a super pension that's not for retirees

There's no need to wait for retirement to start enjoying the benefits of an REI Super Pension.

Once you reach your preservation age (58 years or more by 30 June 2018) you can commence a Transition To Retirement (TTR) Pension and enjoy flexibility of income, tax saving and many other benefits.

Choose the way you want to live – keep working and save more through salary sacrifice, or work less and keep the same income while still growing your retirement savings. It's your choice – a TTR Pension gives you options that you can adjust at any time.

REI Super's TTR Pension enables you to keep your money working hard and growing in a tax favourable environment. Then when you're finally ready to retire simply switch to the REI Super Retirement Pension.

And the good news is that the balance in your TTR Pension does not count towards your Transfer Balance Cap for a retirement pension. Which means you can delay the time before it goes into retirement phase and take advantage of future indexed Cap increases.

Call our Financial advice team on 13 44 33 to see how you might benefit from a TTR Pension.

Get your super sorted at reisuper.com.au/checklist

We've made it easy to cover off on all the little (and big) things to get your super on track and growing, with the right insurance cover and invested the way you need.

We'll help you find any lost super, show you how to save fees by rolling old super funds into your account, get your insurance right so you only pay for what you need, help with strategies for making additional contributions, provide the tools to choose the right investment strategy, give you access to good financial advice and much more.

Now there's an easy to follow checklist that provides the information you need, with links to take action. Much of the work is done for you. It's easy to follow and it won't take long to make a big difference to your super outcome.

View your super on the go...

Download the REI Super mobile app.

Available on the iPhone **App Store**

ANDROID APP ON **Google play**

Stay informed

Subscribe to our e-newsletter reisuper.com.au

If you've got questions – we have answers

Contact us any time Mon-Fri 8:30am to 7pm AEST

Visit **reisuper.com.au** or call **1300 13 44 33**

admin@reisuper.com.au facebook.com/reisuper

REISuper

An Industry SuperFund

The information contained in this brochure does not constitute financial product advice. However, to the extent that the information may be considered to be general financial product advice, REI Super advises that REI Super has not considered any individual person's objectives, financial situation or particular needs. Individuals need to consider whether the advice is appropriate in light of their goals, objectives and current situation. Members should obtain and read the Product Disclosure Statement for REI Super before making any decisions. REI Superannuation Fund Pty Ltd ABN 68 056 044 770 AFSL 240569. RSE L 0000314 REI Super ABN 76 641 658 449 RSE R1000412 MySuper unique identifier 76641658449129 July 2017. REIS 52573