

Super changes

The Federal Budget in May 2009 included significant changes to the way your super contributions may be taxed. These changes are now law and came into effect on 1 July 2009.

You will only be able to make a maximum of \$25,000 (or \$50,000 if you are over 50) in concessional contributions per financial year. This means, if the combined total of contributions made by your employer, through salary sacrifice and/or those you claim a tax deduction for exceeds the maximum, you may have to pay more tax. Special rules apply if you have super with a defined benefit component.

Please refer to our 'understanding contributions limits' fact sheet (available on our website) for further information.



Annual statements

Most AvSuper members will receive their annual statement and Annual Trustee Report in September 2009. To be sure yours arrives safely, please ensure we have your correct postal address – log into Member Online or call us to update your details.

2008-09 was tough for all investors, including super investors

Yes, it has been a tough year for all super funds and investments in general. The Australian share index was down 20.34%, the International share index down 16.24%, global bonds had a very poor year and property investments generally suffered from recent revaluations. As much as your Trustee would like it to be otherwise, the investment market upheaval has impacted on AvSuper returns with Cash being our only investment option without a negative result (actual returns can be seen below.)

For 2008/09, our Growth Option will probably return in the order of -15.2% (indicative only) which is above the median super fund return of -17.3% for this period, and the S&P ASX index of -20.2% in the same period. It is daunting to lose money, but investing money in super and with AvSuper in particular can cushion the broader market effects.

While investment performance varies year to year, over the long term your super will grow and override short term market fluctuations. It is understandably tempting to change your investments in the current market but many financial experts suggest you stick to your long term plan if possible. If you would like help preparing or revising a long term strategy, contact us to arrange an appointment with a financial planner from our alliance partner, Outlook Financial Solutions.

Remember, the global economy **will** recover and so will the returns on your hard earned retirement savings. There are early signs of market recovery and we believe that more normal levels of investment earnings will return.

We are monitoring investments closely and are reviewing our outsourcing arrangements to serve your best interests. From that, we appointed a new asset consultant, JANA Investment Advisors Pty Ltd, to drive our investment recovery strategy.



We will continue our focus of ensuring our investments provide you the best possible return, with low fees and all profits returned to members.

David Leggo, Chairman

AvSuper's investment performance to 30 June 2009

Notwithstanding the current environment of negative investment returns, AvSuper continues to outperform many other super funds over the short term as well as the longer term.

Interim investment performance (net of fees and taxes) for AvSuper's accumulation member investment choice options is listed below. To find out more about AvSuper's investment options, refer to the Member Investment Choice Guide on our website.

Investment Option	Quarter	Financial year to date	5 years (annualised)
Growth#	4.0%	-15.2%	2.5%
High Growth	9.2%	-16.4%	1.5%
Stable Growth	3.8%	-6.3%	3.8%
Cash	0.6%	4.1%	4.9%

Past performance may not be an indicator of future performance.
Your super will be invested in our Growth Option if you don't make a choice.

Contact us

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AvSuper bulletin - your say

In response to our 2007 survey, we changed our quarterly bulletin for you. We'd like to know if we're on track and what other improvements you would like to see. You can tell us what you think via a quick online survey, accessible from the bulletins page of our website.

Save on fees

While super is a long term investment, it still makes sense to keep your fees and charges low to maximise your savings, especially when the market is doing it tough. As an AvSuper member you already enjoy low administration fees and competitive insurance premiums, and those savings can add up over the years.

If you are one of the average Australians with three super accounts, you could save even more on fees by consolidating all your accounts into AvSuper – and there are no AvSuper fees to do this (but there may be fees and consequences from your old funds.)

Keeping up to date!

Whenever anything important or relevant happens in super or AvSuper, we add a news item to our website, and you can now get automatic updates from our site.

You can choose to have our news via a RSS feed on your computer or via email.

It's simple, free and full details are available in the news section at www.avsuper.com.au



Looked at our website lately?

Keeping the website informative and useful for you, now and in the future, is important so we've recently added some new features:

- Make investment choices online (accumulation members only) at any time without paying any switching fees. Simply log into Member Online and choose 'change investment choice' in the left menu.
- To stay in touch with AvSuper news, sign up for our email updates on the News page
- Learn more about your insurance needs with an interactive education module called Insurance Map



Upcoming seminars

AvSuper seminars are a great opportunity to learn about your super and your Fund. Our website lists seminar dates and topics, or email seminars@avsuper.com.au to book. Here are some of the seminars coming up soon:

Location	Date	Location	Date
Sydney	3 August	Adelaide	1 September
Canberra	12 August	Broome	21 September
Melbourne	31 August	Karratha	23 September

Safety in super

Your super is safe within AvSuper - we have strict procedures to protect and safeguard your money as long as it is invested with us. If you are looking at a self-managed super fund (SMSF), please be aware that there has been some recent fraud where money has been stolen from SMSFs. SMSFs can involve various risks and significant costs, and you should be sure you understand what you might be getting yourself into (refer to our SMSF fact sheet for further information.)

Drawdown extension

Income stream members can now access drawdown relief (where they can withdraw less than their annual minimum withdrawal amount) until 30 June 2010. The relief is designed to lessen the effect of realising investment losses in the current market. The drawdown relief amount will be included on your annual income stream letter, due out soon. If you have taken advantage of the drawdown relief in 2008/09, your payment schedule will continue at the reduced amount unless you advise otherwise.



Income Stream Investment returns (net of fees) to 30 June 2009

When thinking about your super (even in retirement), don't just think about short term results – look ahead and plan for the long term. By comparing investment performance over the long term, such as over five year periods, you can gain a better perspective of the performance of your super investment.

Investment Option	Quarter	Financial year to date	5 years (annualised)
Growth#	4.5%	-17.1%	2.5%
High Growth	10.0%	-17.5%	n/a
Stable Growth	4.3%	-7.3%	3.9%
Cash	0.7%	4.8%	5.6%

Past performance may not be an indicator of future performance.

Your super will be invested in our Growth Option if you don't make a choice.