

New Chairman

Welcome to Tom Grant who has been elected by the AvSuper Trustee as the new Chairman of AvSuper from 1 May 2010.



Tom has been an AvSuper Trustee for all of our 20 years. Tom's exemplary experience in superannuation and his familiarity with the Fund's history, coupled with his strong understanding of the operational and technical aspects of superannuation matters will greatly benefit members.

The Directors and staff of AvSuper look forward to an exciting future and congratulate Tom Grant on his new role.

Upcoming seminars

As part of your membership, we invite you to attend seminars to learn more about super and investments. Seminars are held at various locations around Australia, including many regional centres providing an opportunity for you to speak to AvSuper staff and/or a financial planner, and are aimed at members of all ages. For further details (including dates and locations), please visit www.avsuper.com.au/seminars.php

Asset class investments

Investing in single asset classes is now easy and cost effective. Visit



our website to find out more about our Australian and International Shares Options.

Welcome to the July bulletin!

After more than 2 years of unprecedented volatility and despite a backdrop of the Global Financial Crisis, AvSuper is pleased to report investment earnings of more than 8% (after investment fees and tax) for members in our default Growth investment option for the 30 June 2010 year. The returns for each of our investment options are detailed below (and over the page for income stream members).

While we've continued our strong focus on investment matters, we've also looked for ways we can even further improve **your** super fund and the range of services we provide to you – including a range of new Member Investment Choice options, improved insurance arrangements and summaries of major superannuation developments. Keep an eye out for your annual member statement and Annual Report profiling our soon to be launched Member Advice Solution – and all of the super changes from the last year plus comments on the likely impact of several recent Federal Government Reviews, including the Cooper Review into the Super System.



Michelle Griffiths, CEO



June 2010 Investment Update

Globally, financial markets continued to be turbulent in the last quarter, driven by instability in key European economies such as Greece, Spain and Portugal, combined with concerns that economic growth in the US might be stalling and the Chinese economy might be cooling. After 3 good investment quarters, this bad news flowed through to Australian super funds in the June quarter, although annual investment returns remained positive overall. Forecasts remain murky, but continued volatility seems likely in the short term.

Across the Fund, Australian and international equities returns remained weak but finished the year in positive territory. Unlisted property finally rose from the floor to post modest positive returns. Fixed income and Infrastructure performed very well with international markets and credit exposures being key, however the Australian dollar remained volatile throughout.

Accumulation investment returns (net fees and taxes) to 30 June 2010

Investment Option	June quarter return	2009/10 FY to date	5 years (annualised)
Growth#	-5.7%	8.1%	2.3%
High Growth	-9.2%	8.9%	1.3%
Stable Growth	-2.4%	7.7%	3.8%
Cash	0.87%	3.1%	4.8%
	2009/10 FY to date	Inception date	
Conservative Growth	2.9%	1/1/2010	Returns from inception date only
Australian Shares	-12.3%	1/5/2010	
International Shares	-20.3%	1/5/2010	

Past performance may not be an indicator of future performance.

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

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Team Profile

Last year, we brought compliance and governance in house to reduce costs and improve efficiencies.

Today we'd like to introduce a key part of our team, Amy Ward.



Name: Amy Ward

Title: Governance Manager

Joined AvSuper? July 2009

What does your role involve?

Assessment of legal, governance, risk management, compliance matters and preparing papers for board and committee meetings.

What is your super experience?

Funds and superannuation experience with ASIC and in private practice at reputable law firm.

Where would you love a holiday?

I would like to go back to South America again visiting Iguazu falls and eating beef in Argentina, Bolivia salt lakes, and to see the glaciers in the The Los Glaciares National Park in Patagonia.

Who is your favourite author?

I prefer to read non fiction books (preferably not text books if can help it!) so it's hard to say. Currently I am reading Consolations of Philosophy.

Your favourite part of being in the AvSuper team...

I work with individuals who really understand his/her respective specialties and we all have a common goal of attaining the best outcome for members of the Fund.

Defined Benefit salaries

As a defined benefit member, your salary is updated on your birthday every year, regardless of when any salary changes may occur during the year.

Insurance

We are in the process of notifying members individually about changes to AvSuper's insurance, but it's all good news for members! AvSuper still offers death, TPD and income protection insurance, but we've made some improvements for you:

- most members will pay lower premiums for the same cover
- Fire fighters and other heavy blue collar workers can now access long term income protection cover

For full details, please read our updated insurance guide (available on our website).

Other super news highlights

- the Henry review was released, announcing potential changes to the SG rate and age, concessional caps and low-income co-contributions. These changes could help many members increase their retirement savings
- the Ripoll Inquiry has no direct impact on AvSuper but may affect how financial advisers will deal with you
- annual statements are being prepared and will be delivered in September. If you have moved or changed jobs, log into Member Online and update your details so there are no delays in getting your statement
- the Cooper Review Report of the super system has been released although the Government hasn't yet indicated what might be implemented. AvSuper broadly supports those principles arising from the Cooper Review which will deliver superior superannuation outcomes for our members in the future

A recent report* has shown that over the last 20 years Australian shares have delivered higher returns than residential property, after fees and tax. Before tax, property was a high performing asset class but tax made a considerable dent in investment returns placing it below Australian shares over the long term. The report emphasised the importance of considering real returns (ie after tax), showing that reduced tax rates for super savings can be of significant benefit to investors over the long term, even during periods like the GFC.

* released by the Australian Securities Exchange (ASX) in May, 2010



Income Stream Investment returns (net of fees) to 31 March 2010

Investment Option	June quarter return	2009/10 FY to date	5 years (annualised)
Growth#	-6.3%	8.8%	2.2%
High Growth	-9.8%	9.5%	1.5%
Stable Growth	-2.7%	8.7%	3.9%
Cash	1.0%	3.6%	5.5%
	2009/10 FY to date	Inception date	
Conservative Growth	2.1%	1/1/2010	Returns from inception date only
Australian Shares	-3.7%	1/5/2010	

Past performance may not be an indicator of future performance. Taxes generally do not apply for income stream accounts. # Your super will be invested in our Growth Option if you don't make an investment choice.

Congratulations Longshots!

Indoor cricket team, the Longshots, earned second place in their grand final on 7th July. Team member, David Arnott (AvSuper Director), was pleased with the results and grateful for AvSuper's sponsorship of the team uniforms.

