

# Annual report 2010-2011

Sunsuper Solutions  
Sunsuper Corporate  
Sunsuper Pension



Nicole McLachlan  
*Sunsuper Dream winner*



Rosman Tulin  
*Sunsuper Dream winner*



Nicole Gibson  
*Sunsuper Dream winner*

make your dreams  
more than dreams



**sunsuper**

# Sunsuper Annual report 2010–2011

Sunsuper Solutions | Sunsuper Corporate | Sunsuper Pension

Amendment date 18 November 2011.

This amendment to the *Sunsuper Annual report 2010-2011* is issued by Sunsuper Pty Ltd, ABN 88 010 720 840, AFSL No 228975, as Trustee of the Sunsuper Superannuation Fund and updates information found in the *Sunsuper Annual report 2010-2011* issued 13 October 2011.

**The following amendments have been made to page 13 of the *Sunsuper Annual report 2010–2011*.**

The actual asset allocation percentages as at 30 June 2011 for Property and Fixed interest within the Ethical, Environmental and Socially Responsible Investments option have been corrected as per the below.

ASSET ALLOCATION	Actual % as at 30/6/10	Actual % as at 30/06/11	Benchmark % as at 01/07/11	Allowable range % as at 01/07/11
Australian shares	35.0	35.5	36	31-41
International shares	24.5	24.6	26	21-31
Property	13.3	14.4	11	0-26
Fixed interest	24.3	23.3	23	10-36
Cash	2.9	2.2	3	0-8
Alternatives*	0.0	0.0	1	0-6

\*May include infrastructure, hedge funds and private equity.

The remainder of the *Sunsuper Annual report 2010-2011* remains unchanged. For more information please contact us on 13 11 84.



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Please continue to the next page to read the remaining pages of the  
*Sunsuper Annual report 2010-2011.*

# Contents

Board report	1
Investment options	2
Investment managers	14
Professional advisers	15
Reserve	15
The Board	15
Compliance	16
Financial statements	17



## Sunsuper Dream winners

Featured on the cover are the round one winners of our *Dream for a better world* competition. Their winning dreams were:

- **Nicole McLachlan** – educating young people to help save marine life,
- **Rosman Tulin** – providing school supplies to a remote Filipino village, and
- **Nicole Gibson** – creating an interactive website to help improve women's body perception.

Visit [sunsuperdreams.com.au](http://sunsuperdreams.com.au) for more information.

# Board Report

The Board is pleased to present the Sunsuper Annual report for the financial year ended 30 June, 2011.



Despite continuing uncertainty in the markets the world over, the Board is delighted to report that we ended 2010-2011 on a positive note with both our super and pension Balanced options delivering an investment performance ahead of the industry average over 1, 3, 5 and 7 years.\* The Fund also experienced steady growth over the past twelve months and as at 30 June, 2011 had more than \$18 billion of funds under management. We also had more than one million members and 75,000 employers.

We remained sharply focussed on maximising members' retirement benefits in 2010-2011. Our 'profit-for-members' philosophy, which sees profits directed back to our members, continues to support this in the form of low fees and improved services. One of our biggest projects this year was a major review of our insurance offering. As a result of this review, we significantly redesigned our insurance products and reshaped the level of cover to better align with our members' needs. We launched our new look products on 1 July this year and can now safely boast an insurance offering for members that is among the best on the market.

Another big initiative we launched this year was our "Dreams for a better world" campaign which was designed to help us engage with our younger members. The campaign called on members to submit or vote on altruistic dreams through a purpose-built website. We are proud to say that we have been able to support a broad range of causes our young members care about, including whale conservation and Indigenous youth.

We are also glad to report that in 2010-2011, we reaffirmed our position as one of Australia's leading super funds by being awarded the highest ratings possible from a number of independent agencies including Chant West, SuperRatings, Selecting Super and Heron. Furthermore, we were named SuperRatings Pension of the Year and *Money* magazine's Best Pension Fund Manager of the Year for the third and second years respectively.

## The year ahead

We remain committed to providing a high level of service to our customers and we will continue to focus on developing initiatives to help members maximise their retirement savings. Specific key areas of focus will be to continue to understand and meet our members' needs, keep costs low through new e-commerce initiatives and technology, deliver above average investment returns, and equip the Sunsuper team with skills and resources to do the best job they can on behalf of our members.

The Board would like to take this opportunity to thank Chief Executive Officer Tony Lally, his senior management team and all the staff of Sunsuper for their outstanding performance during the year.

\*Source: SuperRatings Fund Crediting Rate Published Survey to 30 June, 2011 and SuperRatings Pension Fund Crediting Rate Survey June 2011.



# Investment options

We recognise that choosing the right investment option or options can make a big difference to your retirement income and that choosing the right investment option or options depends on your personal circumstances and your retirement goals.

At Sunsuper we have identified the following four broad investment profiles for members:

- **Growth** – investors who want to generate wealth over the long-term, but with less risk than being invested solely in shares,
- **Balanced** – investors who want to generate wealth over the long-term, while being sensitive to the relative performance of other large Australian superannuation funds,
- **Retirement** – investors who want to generate wealth over the medium to long-term, while providing some reduction to the fluctuation of returns in the short-term, and
- **Conservative** – investors who seek less volatile returns for their super while maintaining some growth exposure. Using their money in the short-term is likely to be their main purpose.

We offer a range of investment options to match each of these four broad investment profiles. However, we also recognise that not everyone fits into these broad profiles and therefore we offer a wide range of other diversified and single asset class investment options.

For more details, refer to the panels on pages 4 to 13.

## Changes to investment options

During the year we reviewed our investment options and made some changes including:

- **Emerging Markets Shares option:** as of 1 July, 2011 Sunsuper's Emerging Markets Shares option changed from being managed by an external investment manager to being managed by Sunsuper. We also updated the option's performance benchmark, performance objective and estimated investment fees all of which can be seen on page 10.
- **Strategic asset allocations:** effective 1 July, 2011 the strategic asset allocations for our Balanced, Growth, Retirement and Conservative options were updated.
- **Performance benchmarks:** effective 1 July, 2011 the performance benchmarks for the International shares (hedged) and International Shares (unhedged) options were changed to MSCI All Countries World Index IMI in \$A (hedged) and MSCI All Countries World Index IMI in \$A (unhedged) respectively.

## Investment objectives and strategies

Sunsuper's overall investment objectives are to:

- maximise the real long-term investment returns (after investment tax and fees) subject to the expected risk profiles for each investment option,
- implement an investment manager configuration for each investment option which will in the long-term outperform the benchmark return and peer groups,
- avoid exposing each investment option to inappropriate risk through diversification of investments and of managers, and
- maintain sufficient liquid assets so as to pay all benefit and expense obligations in full when due.

The investment objectives and asset allocation for each of the investment options are set out in the tables on pages 4 to 13.

## About Sunsuper's investment options

From 1 July, 2011 Sunsuper offers 20 investment options. There are six diversified options, 12 single asset class options, and two special options, for members who are looking for something a bit different.

The investment options we offer are designed to cater for a wide range of investor needs, and include:

- active and index options,
- single-manager and multi-manager options, and
- hedged and unhedged options.

## Active and Index options

### Active investment options

Sunsuper has a philosophy of active investment management that we apply to several of the options we offer. This is reflected in the range of highly rated investment managers selected by Sunsuper and its investment consultant, Mercer (Australia) Pty Ltd ABN 32 005 315 917, to manage the actively managed investment options.

We have a strong belief that active management will result in returns higher than returns from index managers, even after active management fees are taken into account. Good active managers also have the effect of lowering the levels and types of risks taken. In addition to expecting our managers to outperform their benchmarks through active management, we expect all of our managers to:

- have world class professional investment processes,
- complement each other's processes and styles, and
- be cost effective.

### Index investment options

Although we believe in the potential benefits of active management, we provide our members with access to low cost index and enhanced index options. Index (or passive) options are invested in a range of investments designed to replicate the performance of a chosen benchmark. Enhanced index options work in much the same way, however they seek minor outperformance via low risk active management. These options generally have lower fees than actively managed options.

## Single-manager and multi-manager

The options are classified as either single-manager or multi-manager. The following explains the difference between these two types of manager options:

### Single-manager options

These options have a single investment manager and are designed for investors who prefer the style of a particular manager.

### Multi-manager options

These options use a combination of investment managers within the one investment option, providing diversification across investment managers and reducing the risk of exposure to any one investment manager or style.

## Currency hedging

The value of overseas investments can be impacted by currency fluctuations. The effects of currency movements on an investment can be reduced by 'currency hedging'. This fixes the value of the Australian dollar relative to one or a number of foreign currencies. An investment or asset class can be either fully hedged, partially hedged or unhedged:

- fully hedged is where all of the investment is protected from the effects of currency exchange rates,
- partially hedged is where the investment is partly protected from these effects, and
- an unhedged investment is not protected from these effects.

Some exposure to foreign currencies can be desirable for both diversification benefits and the potential to add value. How much exposure depends on a particular option's mix of assets and its investment objectives. Each of our options is carefully designed to have what we consider an optimal exposure to foreign currency. In our diversified options we also use the skills of our active managers to alter the level and mix of the foreign currency exposures in response to changes in the economic outlook.

## How we calculate your balance

Your account balance is calculated by multiplying the number of units you have in each investment option by the unit price for each option. As the unit prices are calculated on a daily basis, the value of your account may change daily.

## Is your investment guaranteed?

Except for the Capital Guaranteed option, the movement in unit prices, the repayment of capital and the performance of any investment option is not guaranteed. Investing in a specific option does not give any entitlement to assets underlying that investment option.

For more details on the Capital Guaranteed option, refer to page 13.

## Use of derivatives in the Fund

Sunsuper's policy is to allow our investment managers to use derivatives, such as futures, options and swaps, to achieve their investment objectives, particularly for the purpose of managing risk. However, the managers must operate within specific guidelines.

Our investment managers who invest in derivatives must adopt a Derivative Risk Statement that is acceptable to Sunsuper. This statement sets out the use of derivatives and the controls in place to protect against the improper use of derivatives.

## Investment fees and costs

### Estimated base and performance fees for 2011/2012

The investment option tables on pages 4 to 13 show the estimated base and performance fees for 2011/2012.

These are our best estimates based on recent experience and current long-term expectations for ongoing investment costs. Performance fees are difficult to predict because the level of out-performance by managers is difficult to forecast.

We monitor the ongoing investment costs for each option and the investment fees deducted will not be more than the actual costs incurred. However, due to a number of factors including changes in the investment manager mix or investment manager fees, the actual investment fees may differ from the estimated investment fees. We will let you know the actual investment fees at the end of the 2011/2012 financial year.

### Actual investment fees for 2010/2011

All superannuation funds incur investment fees to cover the costs of investing and managing investments for their members. In line with our profit-for-members philosophy, Sunsuper does not profit from investment fees.

We report the investment fee in two components, the base fee and the performance fee. These are calculated as a percentage of the total assets managed in each investment option. The actual investment fee for each investment option for the 2010/2011 financial year, is shown in the tables on pages 4 to 13. Some investment managers for the 2010/2011 financial year have been paid a performance fee as a result of outperforming their performance targets.

Sunsuper believes paying performance fees to its investment managers encourages sustained performance and avoids rewarding managers for underperformance. If an investment manager who has the potential to earn a fee underperforms their target, the investment manager will need to overcome their underperformance in future periods before another performance fee can be earned.

For more information on investment fees and costs, including buy/sell spreads, please refer to either the *Sunsuper Pension member guide*, the *Sunsuper Solutions Product Disclosure Statement* or the *Sunsuper Corporate Product Disclosure Statement*.

## Growth

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** A diversified mixture of assets, primarily invested in Australian and international shares and a range of unlisted growth assets for exposure to economic growth.

**Style:** Active, multi-asset class, multi-manager.

**Performance objective:** Beat inflation by 5% p.a. after investment fees and taxes over periods of 7 to 10 years for Sunsuper Solutions and Sunsuper Corporate.

Beat inflation by 5.5% p.a. after investment fees over periods of 7 to 10 years for Sunsuper Pension.

**Who is it for?:** For members who want to generate wealth over the long-term, but with less risk than an option invested solely in shares.

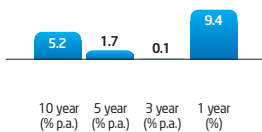
ASSET ALLOCATION

	Actual % as at 30/6/10	Actual % as at 30/6/11	Strategic % as at 01/07/11	Allowable range % as at 01/07/11
Australian shares	27.7	28.1	30	0-50
International shares	28.6	29.7	30	0-70
Private capital	11.2	11.1	10	0-20
Property	9.2	8.4	9	0-30
Infrastructure	8.8	4.7	5	0-20
Fixed interest	0.7	5.3	5	0-20
Hedge funds	11.1	11.1	10	0-20
Cash	2.7	1.6	1	0-20

INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



**Sunsuper Pension**



Since commencement: 7.4% p.a. (December 2002)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.60% p.a.

Performance fee: 0.10% p.a.

**Actual investment fees for 2010/11**

Base fee: 0.55% p.a.

Performance fee: 0.20% p.a.

Buy/sell spread: nil

## Balanced

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** A diversified mixture of assets, with a large allocation to Australian shares and international shares for exposure to economic growth.

**Style:** Active, multi-asset class, multi-manager.

**Performance objective:** Outperform the median of similar super funds over 5 to 7 years.

Beat inflation by 4% p.a. after investment fees and taxes over 7 to 10 years for Sunsuper Solutions and Sunsuper Corporate.

Beat inflation by 4.5% p.a. after investment fees over 7 to 10 years for Sunsuper Pension.

**Who is it for?:** For members who want to generate wealth over the long-term, while being sensitive to the relative performance of other large Australian superannuation funds.

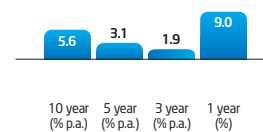
ASSET ALLOCATION

	Actual % as at 30/6/10	Actual % as at 30/6/11	Strategic % as at 01/07/11	Allowable range % as at 01/07/11
Australian shares	28.9	26.9	28	0-50
International shares	24.3	26.9	27	0-70
Private capital	8.1	7.6	7	0-15
Property	7.2	8.7	9	0-30
Infrastructure	7.0	4.8	5	0-20
Fixed interest	12.8	12.9	13	0-25
Hedge funds	8.0	7.6	7	0-25
Cash	3.7	4.6	4	0-25

INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



**Sunsuper Pension**



Since commencement: 7.6% p.a. (September 2001)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.49% p.a.

Performance fee: 0.10% p.a.

**Actual investment fees for 2010/11**

Base fee: 0.48% p.a.

Performance fee: 0.14% p.a.

Buy/sell spread: nil

1. As at 1 July, 2011.

2. Past performance is not a reliable indication of future performance. Returns are for the year ended 30 June, 2011. Sunsuper Solutions and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the asset based administration fee of 0.05%. Sunsuper Pension returns are after investment fees have been deducted.

3. It is important to read the information on page 3. Buy/sell spreads are as at 30 June, 2011.



## Retirement

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** A diversified mixture of assets.

**Style:** Active, multi-asset class, multi-manager.

**Performance objective:** Beat inflation by 3.5% p.a. after investment fees and taxes over periods of 5 to 7 years for Sunsuper Solutions and Sunsuper Corporate.

Beat inflation by 4% p.a. after investment fees over periods of 5 to 7 years for Sunsuper Pension.

**Who is it for?:** For members who are close to, or have reached retirement. It is structured to generate wealth over the medium to long-term, while providing some reduction to the fluctuation of returns in the short-term.

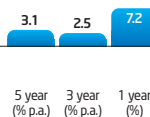
ASSET ALLOCATION

	Actual % as at 30/6/10	Actual % as at 30/6/11	Strategic % as at 01/07/11	Allowable range % as at 01/07/11
Australian shares	26.6	18.7	18	0-50
International shares	16.4	18.1	17	0-55
Private capital	5.5	4.5	5	0-15
Property	8.7	8.4	9	0-30
Infrastructure	6.1	4.6	5	0-20
Fixed interest	25.2	29.4	30	0-50
Hedge funds	5.3	6.9	7	0-15
Cash	6.2	9.4	9	0-25

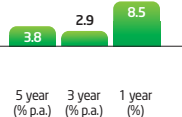
INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



**Sunsuper Pension**



Since commencement: 6.0% p.a. (October 2002)      Since commencement: 7.2% p.a. (February 2003)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.55% p.a.

Performance fee: 0.07% p.a.

**Actual investment fees for 2010/11**

Base fee: 0.50% p.a.

Performance fee: 0.12% p.a.

Buy/sell spread: nil

## Conservative

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** A diversified mixture of assets, with an emphasis on fixed interest and cash assets.

**Style:** Active, multi-asset class, multi-manager.

**Performance objective:** Returns after investment fees and taxes of 1% p.a. above the UBS Australia Bank Bill Index (after investment tax) over periods of 2 to 5 years for Sunsuper Solutions and Sunsuper Corporate.

Returns after investment fees of 1% p.a. above the UBS Australia Bank Bill Index over periods of 2 to 5 years for Sunsuper Pension.

**Who is it for?:** For members who seek less volatile returns for their super while maintaining some growth exposure. Using your money in the short-term is likely to be your main purpose.

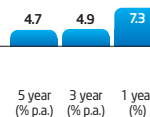
ASSET ALLOCATION

	Actual % as at 30/6/10	Actual % as at 30/6/11	Strategic % as at 01/07/11	Allowable range % as at 01/07/11
Australian shares	10.6	10.5	10	0-15
International shares	10.7	10.2	10	0-30
Private Capital	0.0	0.0	0	0-5
Property	4.1	5.8	6	0-20
Infrastructure	3.0	3.6	4	0-20
Fixed interest	45.2	44.6	45	0-50
Hedge funds	6.5	6.9	7	0-15
Cash	19.9	18.4	18	0-100

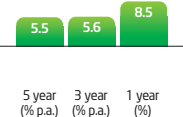
INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



**Sunsuper Pension**



Since commencement: 6.4% p.a. (October 2002)      Since commencement: 7.1% p.a. (September 2003)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.40% p.a.

Performance fee: 0.07% p.a.

**Actual investment fees for 2010/11**

Base fee: 0.37% p.a.

Performance fee: 0.12% p.a.

Buy/sell spread: nil

1. As at 1 July, 2011.

2. Past performance is not a reliable indication of future performance. Returns are for the year ended 30 June, 2011. Sunsuper Solutions and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the asset based administration fee of 0.05%. Sunsuper Pension returns are after investment fees have been deducted.

3. It is important to read the information on page 3. Buy/sell spreads are as at 30 June, 2011.

## BALANCED

### Balanced – Index

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** A mixture of assets, with an emphasis on Australian shares and international shares.

**Style:** Single-manager, index.

**Performance objective:** Closely match the return of the performance benchmark, before investment tax and fees. Note: Investment tax is not applicable to Sunsuper Pension.

**Performance benchmark:** The strategic weighted return of the market indices for each asset class.

**Currency:** Combination of hedged and unhedged.

**Additional info:** This option is managed by SSgA.

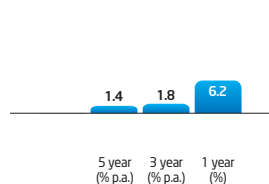
ASSET ALLOCATION

	Actual % as at 30/6/10	Actual % as at 30/6/11	Strategic % as at 01/07/11	Allowable range % as at 01/07/11
Australian shares	34.8	35.7	35	33-37
International shares	24.6	25.0	25	21-29
Property	9.9	9.8	10	6-14
Fixed interest	25.8	24.6	25	21-29
Cash	4.9	4.9	5	3-7

INVESTMENT RETURNS<sup>2</sup>

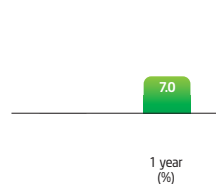
For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



Since commencement: 5.7% p.a. (October 2002)

**Sunsuper Pension**



Since commencement: 7.0% p.a. (July 2010)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.16% p.a.

Performance fee: n/a

**Actual investment fees for 2010/11**

Base fee: 0.16% p.a.

Performance fee: n/a

Buy/sell spread: 0.15% / 0.11%

## SHARES

### Shares

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** A mixture of Australian and international shares.

**Style:** Multi-manager, active.

**Performance objective:** Real returns above inflation of 5% p.a. after investment fees and taxes over periods of 7 to 10 years for Sunsuper Solutions and Sunsuper Corporate.

Real returns above inflation of 5.5% p.a. after investment fees over periods of 7 to 10 years for Sunsuper Pension.

**Currency:** Combination of hedged and unhedged.

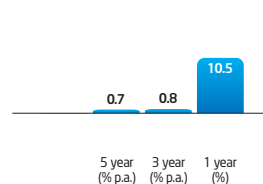
ASSET ALLOCATION

	Actual % as at 30/6/10	Actual % as at 30/6/11	Strategic % as at 01/07/11	Allowable range % as at 01/07/11
Australian shares	50.2	50.1	50	25-75
International shares	49.8	49.9	50	10-90
Fixed interest	0.0	0.0	0	0-30
Cash	0.0	0.0	0	0-20

INVESTMENT RETURNS<sup>2</sup>

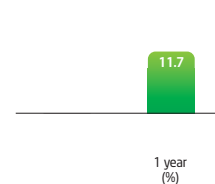
For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



Since commencement: 5.6% p.a. (October 2002)

**Sunsuper Pension**



Since commencement: 11.7% p.a. (July 2010)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.50% p.a.

Performance fee: 0.07% p.a.

**Actual investment fees for 2010/11**

Base fee: 0.42% p.a.

Performance fee: 0.03% p.a.

Buy/sell spread: nil

1. As at 1 July, 2011.

2. Past performance is not a reliable indication of future performance. Returns are for the year ended 30 June, 2011. Sunsuper Solutions and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the asset based administration fee of 0.05%. Sunsuper Pension returns are after investment fees have been deducted.

3. It is important to read the information on page 3. Buy/sell spreads are as at 30 June, 2011.

## SHARES

### Australian Shares

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** Australian shares.

**Style:** Multi-manager, active.

**Performance objective:** Beat the performance benchmark by 1-2% p.a. before investment tax over rolling 5 years.

Note: Investment tax is not applicable to Sunsuper Pension.

**Performance benchmark:** S&P/ASX 300 Accumulation Index.

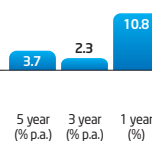
ASSET ALLOCATION

	Benchmark % as at 01/07/11
Australian shares	100

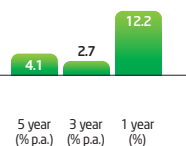
INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



**Sunsuper Pension**



Since commencement: 9.7% p.a. (October 2002)      Since commencement: 10.2% p.a. (January 2003)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.30% p.a.

Performance fee: 0.07% p.a.

**Actual investment fees for 2010/11**

Base fee: 0.31% p.a.

Performance fee: 0.01% p.a.

Buy/sell spread: nil

### Australian Shares – Index

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** Australian shares.

**Style:** Single-manager, index.

**Performance objective:** Closely match the returns of the performance benchmark, before investment tax and fees.

Note: Investment tax is not applicable to Sunsuper Pension.

**Performance benchmark:** S&P/ASX 200 Accumulation Index.

**Additional info:** This option is managed by SSgA.

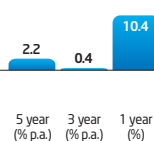
ASSET ALLOCATION

	Benchmark % as at 01/07/11
Australian shares	100

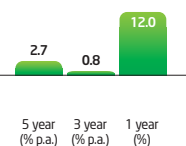
INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



**Sunsuper Pension**



Since commencement: 3.5% p.a. (January 2006)      Since commencement: 3.9% p.a. (January 2006)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.15% p.a.

Performance fee: n/a

**Actual investment fees for 2010/11**

Base fee: 0.15% p.a.

Performance fee: n/a

Buy/sell spread: 0.10% / 0.10%

1. As at 1 July, 2011.

2. Past performance is not a reliable indication of future performance. Returns are for the year ended 30 June, 2011. Sunsuper Solutions and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the asset based administration fee of 0.05%. Sunsuper Pension returns are after investment fees have been deducted.

3. It is important to read the information on page 3. Buy/sell spreads are as at 30 June, 2011.

# SHARES

## International Shares (hedged)

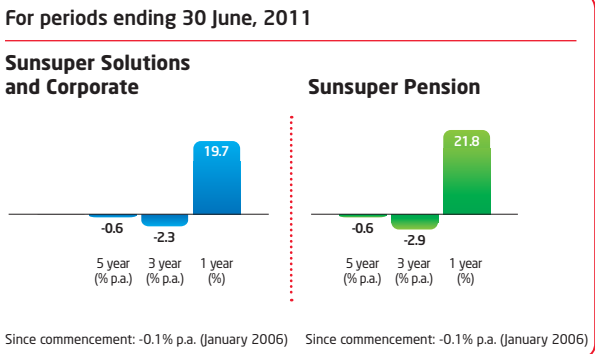
INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** International shares.  
**Style:** Multi-manager, active.  
**Performance objective:** Beat the performance benchmark by 1-2% p.a. before investment tax over rolling 5 year periods.  
 Note: Investment tax is not applicable to SunsUPER Pension.  
**Performance benchmark:** MSCI All Countries World Index IMI in \$A (hedged).  
**Currency:** Combination of hedged and unhedged.  
 It may not be possible for this product to be 100% currency hedged at all times. Up to 25% of the overseas currency exposure may be unhedged at any point in time.

ASSET ALLOCATION

	Benchmark % as at 01/07/11
International shares	100

INVESTMENT RETURNS<sup>2</sup>



INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**  
 Base fee: 0.60% p.a.  
 Performance fee: 0.05% p.a.

**Actual investment fees for 2010/11**  
 Base fee: 0.61% p.a.  
 Performance fee: 0.08% p.a.  
 Buy/sell spread: nil

## International Shares (unhedged)

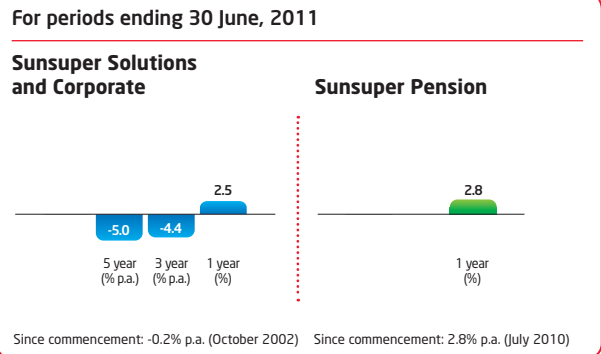
INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** International shares.  
**Style:** Multi-manager, active.  
**Performance objective:** Beat the performance benchmark by 1-2% p.a. before investment tax over rolling 5 year periods.  
 Note: Investment tax is not applicable to SunsUPER Pension.  
**Performance benchmark:** MSCI All Countries World Index IMI in \$A (unhedged).  
**Currency:** Unhedged.

ASSET ALLOCATION

	Benchmark % as at 01/07/11
International shares	100

INVESTMENT RETURNS<sup>2</sup>



INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**  
 Base fee: 0.60% p.a.  
 Performance fee: 0.05% p.a.

**Actual investment fees for 2010/11**  
 Base fee: 0.51% p.a.  
 Performance fee: 0.04% p.a.  
 Buy/sell spread: nil

1. As at 1 July, 2011.  
 2. Past performance is not a reliable indication of future performance. Returns are for the year ended 30 June, 2011. Sunsuper Solutions and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the asset based administration fee of 0.05%. Sunsuper Pension returns are after investment fees have been deducted.  
 3. It is important to read the information on page 3. Buy/sell spreads are as at 30 June, 2011.

## SHARES

### International Shares – enhanced index (hedged)

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** International shares.

**Style:** Single-manager, enhanced index.

**Performance objective:** Beat the performance benchmark by 0.75% to 1% p.a. before investment tax over rolling 3 year periods. Note: Investment tax is not applicable to Sunsuper Pension.

**Performance benchmark:** MSCI World Ex-Australia Net in \$A (hedged).

**Currency:** Hedged.

**Additional info:** This option is managed by SSgA.

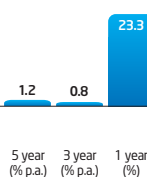
ASSET ALLOCATION

	Benchmark % as at 01/07/11
International shares	100

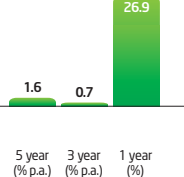
INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



**Sunsuper Pension**



Since commencement: 7.6% p.a. (October 2002)      Since commencement: 5.3% p.a. (January 2005)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.25% p.a.

Performance fee: n/a

**Actual investment fees for 2010/11**

Base fee: 0.25% p.a.

Performance fee: n/a

Buy/sell spread: 0.31% / 0.26%

### International Shares – enhanced index (unhedged)

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** International shares.

**Style:** Single-manager, enhanced index.

**Performance objective:** Beat the performance benchmark by 0.75% to 1% p.a. before investment tax over rolling 3 year periods. Note: Investment tax is not applicable to Sunsuper Pension.

**Performance benchmark:** MSCI World Ex-Australia Net in \$A (unhedged).

**Currency:** Unhedged.

**Additional info:** This option is managed by SSgA.

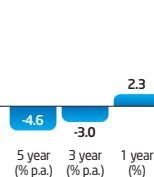
ASSET ALLOCATION

	Benchmark % as at 01/07/11
International shares	100

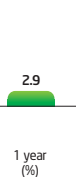
INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



**Sunsuper Pension**



Since commencement: 0.8% p.a. (October 2002)      Since commencement: 2.9% p.a. (July 2010)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.25% p.a.

Performance fee: n/a

**Actual investment fees for 2010/11**

Base fee: 0.25 p.a.

Performance fee: n/a

Buy/sell spread: 0.30% / 0.25%

1. As at 1 July, 2011

2. Past performance is not a reliable indication of future performance. Returns are for the year ended 30 June, 2011. Sunsuper Solutions and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the asset based administration fee of 0.05%. Sunsuper Pension returns are after investment fees have been deducted.

3. It is important to read the information on page 3. Buy/sell spreads are as at 30 June, 2011.



## SHARES

### Emerging Markets Shares

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** International shares focusing on emerging markets.

**Style:** Multi-manager, active.

**Performance objective:** To provide returns (before investment tax but after investment fees) of between 1% and 2% p.a. above the MSCI Emerging Markets Investable Market Index in \$A (unhedged) over rolling 5 year periods. Note: Investment tax is not applicable to Sunsuper Pension.

**Performance benchmark:** MSCI Emerging Markets Investable Markets Index.

**Currency:** In normal circumstances the option is unhedged to Australian dollars. Currency exposures are individually managed by the underlying managers.

ASSET ALLOCATION

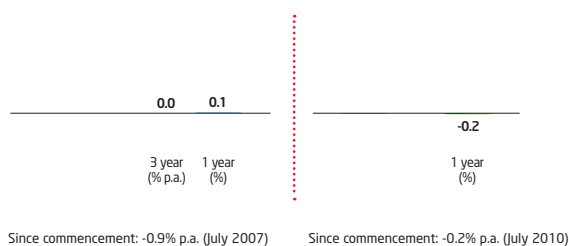
	Benchmark % as at 01/07/11	Allowable range % as at 01/07/11
International shares emerging	100	70-100
International shares developed	0	0-30

INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

Sunsuper Solutions  
and Corporate

Sunsuper Pension



INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.94% p.a.

Performance fee: 0.05% p.a.

**Actual investment fees for 2010/11**

Base fee: 0.74% p.a.

Performance fee: nil

Buy/sell spread: 0.40% / 0.40%

## PROPERTY

### Property

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** Australian and international property.

**Style:** Multi-manager, active.

**Performance objective:** Beat the performance benchmark before investment tax over rolling 5 years. Note: Investment tax is not applicable to Sunsuper Pension.

**Performance benchmark:** 50% S&P/ ASX 200 A-REIT Index, plus 50% FTSE EPRA/NAREIT Global REIT \$A (hedged).

**Currency:** Hedged.

ASSET ALLOCATION

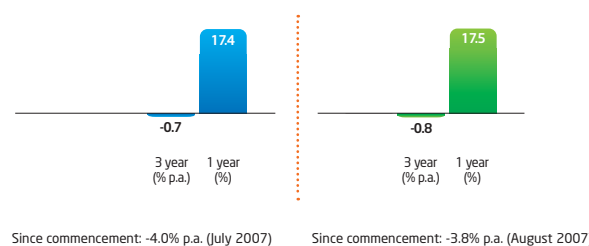
	Benchmark % as at 01/07/11
Property	100

INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

Sunsuper Solutions  
and Corporate

Sunsuper Pension



INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.90% p.a.

Performance fee: 0.10% p.a.

**Actual investment fees for 2010/11**

Base fee: 0.90% p.a.

Performance fee: 0.02% p.a.

Buy/sell spread: nil

1. As at 1 July, 2011.

2. Past performance is not a reliable indication of future performance. Returns are for the year ended 30 June, 2011. Sunsuper Solutions and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the asset based administration fee of 0.05%. Sunsuper Pension returns are after investment fees have been deducted.

3. It is important to read the information on page 3. Buy/sell spreads are as at 30 June, 2011.

## PROPERTY

### Australian Property – Index

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** Australian listed property.  
**Style:** Single-manager, index.  
**Performance objective:** Closely match the returns of the performance benchmark, before investment tax and fees.  
 Note: Investment tax is not applicable to Sunsuper Pension.  
**Performance benchmark:** S&P/ASX 200 A-REIT Index.  
**Additional info:** This option is managed by SSgA.

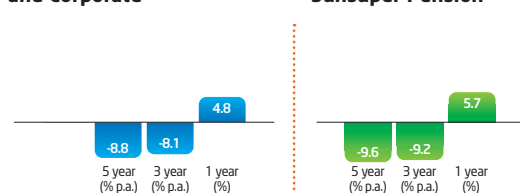
ASSET ALLOCATION

	Benchmark % as at 01/07/11
Property	100

INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



Since commencement: 0.8% p.a. (October 2002)      Since commencement: 0.1% p.a. (May 2003)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.15% p.a.  
 Performance fee: n/a

**Actual investment fees for 2010/11**

Base fee: 0.15% p.a.  
 Performance fee: n/a  
 Buy/sell spread: 0.10% / 0.10%

## FIXED INTEREST AND CASH

### Fixed Interest

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** Fixed interest.  
**Style:** Multi-manager, active.  
**Performance objective:** Beat the performance benchmark by 0.5-1.0% p.a. before investment tax over rolling 5 years.  
 Note: Investment tax is not applicable to Sunsuper Pension.  
**Performance benchmark:** Citigroup World Broad Investment Grade Index in \$A (hedged).  
**Currency:** Hedged.

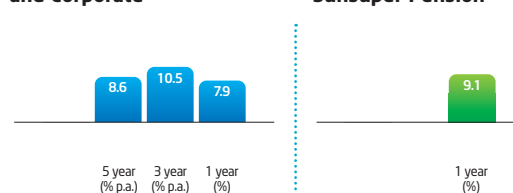
ASSET ALLOCATION

	Benchmark % as at 01/07/11
Fixed interest	100

INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



Since commencement: 8.4% p.a. (October 2002)      Since commencement: 9.1% p.a. (July 2010)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.25% p.a.  
 Performance fee: 0.05% p.a.

**Actual investment fees for 2010/11**

Base fee: 0.26% p.a.  
 Performance fee: 0.05% p.a.  
 Buy/sell spread: nil

1. As at 1 July, 2011

2. Past performance is not a reliable indication of future performance. Returns are for the year ended 30 June, 2011. Sunsuper Solutions and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the asset based administration fee of 0.05%. Sunsuper Pension returns are after investment fees have been deducted.

3. It is important to read the information on page 3. Buy/sell spreads are as at 30 June, 2011.

## FIXED INTEREST AND CASH

### Fixed Interest – Index

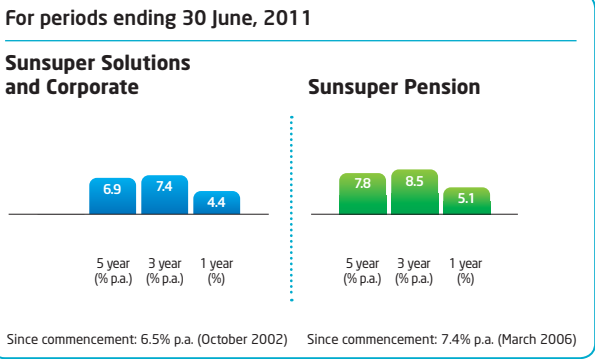
INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** Fixed interest.  
**Style:** Single-manager, index.  
**Performance objective:** Closely match the returns of the performance benchmark, before investment tax and fees.  
 Note: Investment tax is not applicable to Sunsuper Pension.  
**Performance benchmark:** Citigroup World Government Bond Index Ex-Australia \$A (hedged).  
**Additional info:** This option is managed by SSgA.  
**Currency:** Hedged.

ASSET ALLOCATION

	Benchmark % as at 01/07/11
Fixed interest	100

INVESTMENT RETURNS<sup>2</sup>



INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**  
 Base fee: 0.15% p.a.  
 Performance fee: n/a

**Actual investment fees for 2010/11**  
 Base fee: 0.15% p.a.  
 Performance fee: n/a  
 Buy/sell spread: 0.06% / 0.06%

### Cash

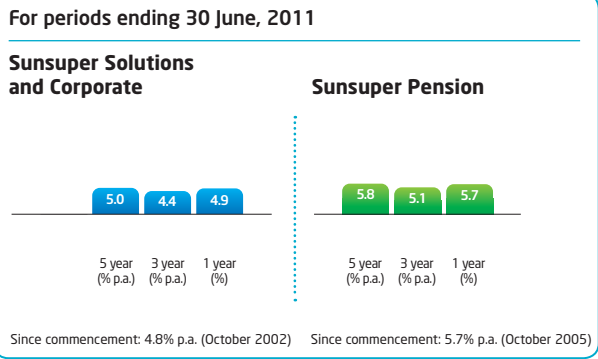
INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** Cash.  
**Style:** Multi-manager, active.  
**Performance objective:** Match or exceed the returns of the performance benchmark, before investment tax.  
 Note: Investment tax is not applicable to Sunsuper Pension.  
**Performance benchmark:** UBS Australia Bank Bill Index.

ASSET ALLOCATION

	Benchmark % as at 01/07/11
Cash	100

INVESTMENT RETURNS<sup>2</sup>



INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**  
 Base fee: 0.10% p.a.  
 Performance fee: n/a

**Actual investment fees for 2010/11**  
 Base fee: 0.09% p.a.  
 Performance fee: n/a  
 Buy/sell spread: nil

1. As at 1 July, 2011.  
 2. Past performance is not a reliable indication of future performance. Returns are for the year ended 30 June, 2011. Sunsuper Solutions and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the asset based administration fee of 0.05%. Sunsuper Pension returns are after investment fees have been deducted.  
 3. It is important to read the information on page 3. Buy/sell spreads are as at 30 June, 2011.

## SPECIAL OPTIONS

### Ethical, Environmental and Socially Responsible Investments

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** A portfolio diversified across all asset types, but with an emphasis on shares and property.

**Style:** Responsible Investment multi-manager, active and index.

**Performance objective:** To provide on a rolling 5 year basis moderate to high returns while accepting medium levels of volatility, and a total return, after costs, and before tax, higher than the return from the performance benchmark. Note: Investment tax is not applicable to Sunsuper Pension.

**Performance benchmark:** The average weighted return of the market indices used to measure the performance of the underlying funds in which the option invests.

**Currency:** In normal circumstances, international fixed interest and international property assets are hedged to Australian dollars, while international shares and other international assets may be hedged to Australian dollars.

**Additional info:** This option is managed by AMP Capital Investors.

ASSET ALLOCATION

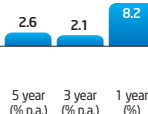
	Actual % as at 30/6/10	Actual % as at 30/6/11	Benchmark % as at 01/07/11	Allowable range % as at 01/07/11
Australian shares	35.0	35.5	36	31-41
International shares	24.5	24.6	26	21-31
Property	13.3	23.3	11	0-26
Fixed interest	24.3	14.4	23	10-36
Cash	2.9	2.2	3	0-8
Alternatives*	0.0	0.0	1	0-6

\*May include infrastructure, hedge funds and private equity.

INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



**Sunsuper Pension**



Since commencement: 6.2% p.a. (October 2002)      Since commencement: 8.7% p.a. (July 2010)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.65% p.a.

Performance fee: 0.02% p.a.

**Actual investment fees for 2010/11**

Base fee: 0.65% p.a.

Performance fee: nil

Buy/sell spread: 0.23% / 0.23%

### Capital Guaranteed

INVESTMENT OBJECTIVES<sup>1</sup>

**Investment in:** A mixture of cash deposits with Authorised Deposit-taking Institutions (ADIs) and investments in capital guaranteed superannuation products.

**Style:** Multi-manager, active.

**Performance objective:** The option is designed to provide:

- full security of capital, and
- modest returns over the medium to long-term.
- target performance (after investment tax and investment fees) is the return of the UBS Australia Bank Bill Index (after investment tax) over rolling 5 year periods. Note: Investment tax is not applicable to Sunsuper Pension.

**Performance benchmark:** UBS Australia Bank Bill Index (after an allowance for investment tax for Sunsuper Solutions and Corporate only).

**Additional information:** Where investments are made into capital guaranteed superannuation products issued by life insurance companies or banks, the capital guarantee is provided by the issuing life company or bank.

Sunsuper itself does not guarantee the security of capital.

The Capital Guaranteed option is quite different from other investment options. While the capital value is guaranteed by the issuing life insurance companies or banks not to fall, the trade-off with this guarantee is that your longer-term returns may be lower than some less conservative options. This may limit the chances of achieving your financial goals. You should consider seeking financial advice on alternative investment arrangements before investing in this option.

In some unfavourable market conditions, we reserve the right to restrict switches and benefit payments from the capital guaranteed option.

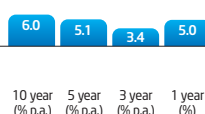
ASSET ALLOCATION

	Benchmark % as at 01/07/11
Deposits with ADIs and Capital Guaranteed Investments	100

INVESTMENT RETURNS<sup>2</sup>

For periods ending 30 June, 2011

**Sunsuper Solutions and Corporate**



**Sunsuper Pension**



Since commencement: 6.1% p.a. (July 2001)

INVESTMENT FEE<sup>3</sup>

**Estimated investment fees for 2011/12**

Base fee: 0.60% p.a.

Performance fee: nil

**Actual investment fees for 2010/11**

Base fee: 0.50% p.a.

Performance fee: nil

Buy/sell spread: nil

1. As at 1 July, 2011

2. Past performance is not a reliable indication of future performance. Returns are for the year ended 30 June, 2011. Sunsuper Solutions and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the asset based administration fee of 0.05%. Sunsuper Pension returns are after investment fees have been deducted.

3. It is important to read the information on page 3. Buy/sell spreads are as at 30 June, 2011.

## Investment managers (as at 30 June, 2011)

Investment manager	Asset classes	Total (\$mil)
Access Capital	Infrastructure, Fixed Interest	155.7
Acorn Capital	Australian Shares	154.9
AMP Capital <sup>1</sup>	Australian Shares, International Shares, Private Equity, Opportunistic Property, Property, Infrastructure, Fixed Interest, Cash, Capital Guaranteed	1,071.2
Anchorage Capital Partners	Private Equity	60.0
Arcadia Funds Management	Property	77.5
Arnhem Investment Management	Australian Shares	569.5
Axa	Capital Guaranteed	76.3
Baillie Gifford	International Shares	464.2
Balanced Equity Management	Australian Shares	1,126.2
Barwon Investment Partners	Private Equity	56.3
Bell Point Capital	Hedge Funds	71.1
BlueCrest Capital Management	Hedge Funds	71.6
Bridgewater	Hedge Funds	153.9
Colonial First State	Opportunistic Property, Infrastructure, Hedge Funds	260.1
Franklin Templeton Investments	Fixed Interest, Private Equity	133.6
GMO	International Shares, Infrastructure, Hedge Funds	845.6
Goodman	Property	66.9
GSO Capital Partners	Fixed Interest, Hedge Funds	174.4
Hastings Funds Management	Private Equity, Infrastructure	202.5
Invesco	Australian Shares	146.6
Lazard	International Shares, Private Equity	965.3
Macquarie Group	Private Equity, Property	107.7
Makena Capital	International Shares, Private Equity, Property, Fixed Interest, Hedge Funds, Cash	509.8
Maple-Brown Abbott	Australian Shares	662.7
Morgan Stanley	Fixed Interest	781.3
Northward Capital	Australian Shares	557.1
Oaktree Capital Management	Private Equity, Hedge Funds	121.4
Pareto Partners	Currency Overlay	34.8
Perennial Investment Partners	Property	136.8
Pimco	Fixed Interest	85.0
QIC	Property, Cash, Rebalancing Overlay	529.6
Quest Asset Partners	Australian Shares	468.6
Schroders	Fixed Interest	243.9
SSgA <sup>1</sup>	Australian Shares, International Shares, Property, Fixed Interest, Cash	1,093.6
Suncorp	Capital Guaranteed	76.0
TCW	Fixed Interest	421.7
The GPT Group	Property	225.3
THS Partners	International Shares	567.4
Tribeca Investment Partners	Australian Shares	308.0
Trinity	Property	82.0
Triton Capital	Hedge Funds	69.5
Tweedy, Browne Company	International Shares	568.6
Vinva Investment Management	Australian Shares	684.9
Wellington Management	Fixed Interest	387.7
Winton Capital	Hedge Funds	69.0
Other	Australian Shares, International Shares, Private Equity, Opportunistic Property, Property, Infrastructure, Fixed Interest, Hedge Funds, Cash, Capital Guaranteed	2,810.2
<b>Total</b>		<b>18,506.0</b>

<sup>1</sup> These managers also invest in multi-asset class portfolios.

## Significant fund investments

The Fund has \$1,619 million (more than 5 per cent of the Fund) invested in the Sunsuper Pooled Superannuation Trust (the PST).



## Professional advisers

<b>Administrator</b>	Precision Administration Services Pty Ltd*
<b>Custodian</b>	National Australia Bank Ltd
<b>Auditor</b>	Deloitte Touche Tohmatsu
<b>Investment consultants</b>	Aksia LLC Mercer (Australia) Pty Ltd Sovereign Investment Research Pty Ltd
<b>Lawyers</b>	Corrs Chambers Westgarth
<b>Insurers</b>	Suncorp Life and Superannuation Ltd MetLife Insurance Limited The Colonial Mutual Life Assurance Society Limited MLC Limited OnePath Life Limited (changed name from ING Life Limited 15/11/2010) Hannover Life Re of Australasia Ltd AMP Life Limited
<b>Actuaries</b>	Shane Mather (Fellow of the Institute of Actuaries of Australia) Towers Watson Australia Pty Ltd

\*Precision Administration Services is a wholly owned subsidiary of Sunsuper Pty Ltd.

## Reserve

The Trustee maintains a reserve in the Fund for the benefit of members. The reserve is maintained in order to:

- help meet the operating expenses of the Fund,
- assist with the management of the operational risks of the Fund, including meeting losses from events that are either not covered by insurance, or that are not claimed under insurance policies, and
- to support the timing differences between the level of investment taxes and investment fees incurred by the Fund and the level of taxes and fees charged to members.

The Trustee does not maintain the reserve for the purpose of smoothing investment earnings. Members' accounts are credited or debited with the actual earnings of their selected investment options.

The reserve may only be invested in:

- the Balanced option,
- low volatility investments (e.g. cash) to fund significant short-term liabilities (e.g. taxes), and
- any other investments approved by the Trustee that do not impact on the prudential management of the reserve.

Over the past five years Sunsuper's reserve has been:

As at 30 June	2011	2010	2009	2008	2007
Reserve (\$mil)	190.1	150.8	106.9	152.1	124.0

The reserve is included in 'Net assets available to pay benefits' as disclosed in the Statement of Net Assets on page 17 of this report.

## The Board

The Trustee of the Sunsuper Superannuation Fund is Sunsuper Pty Ltd (ABN 88 010 720 840), which is licensed by the Australian Prudential Regulation Authority (APRA) under a Registrable Superannuation Entity (RSE) licence and holds an Australian Financial Services Licence (AFSL) from the Australian Securities and Investments Commission (ASIC).

The Trustee is responsible for managing the Fund, and ensures it operates in the best interests of all members and continues to comply with all legal requirements.

Sunsuper Pty Ltd has a Board of Directors comprising equal numbers of member and employer representatives. As at 30 June, 2011 the representatives on the Board were:

Member representatives	Appointed by
John Battams (Deputy Chair) <sup>1</sup>	Qld Council of Unions
Bill Ludwig	Australian Workers Union of Employees Qld
Ron Monaghan*	Qld Council of Unions
Employer representatives	Appointed by
Peter Annand*	Qld Chamber of Commerce and Industry Limited
Graham Drummond <sup>2</sup>	Qld Chamber of Commerce and Industry Limited
Graham Heilbronn (Chair) <sup>3</sup>	Qld Chamber of Commerce and Industry Limited
Robert Hutchinson <sup>4</sup> *	Qld Chamber of Commerce and Industry Limited

<sup>1</sup> Appointed Deputy Chair from 1 January 2011 (ceased as Chairman 31 December 2010)

<sup>2</sup> Retired as Director on 27 October 2010

<sup>3</sup> Appointed Chair from 1 January 2011 (ceased as Deputy Chair 31 December 2010)

<sup>4</sup> Appointed Director from 28 October 2010

\* Members of the Audit, Compliance and Risk Management Committee as at 30 June, 2011

Replacement representatives are appointed by the same employer or union body to ensure there is always equal representation of employees and employers.

The Audit, Compliance and Risk Management Committee of the Board is responsible for reporting to and advising the Board on audit, compliance and risk management issues. The members of the Audit, Compliance and Risk Management Committee are appointed by the Board. All members must be Directors of the Trustee, except for the Audit Committee Financial Expert who can be an external, non-Board member. The current Audit Committee Financial Expert is Marian Micalizzi.

Sunsuper has developed and implemented a comprehensive risk management program, which focuses on the identification, analysis, evaluation, treatment, monitoring and communication of risks. The risk management program is maintained and monitored by an experienced and independent risk manager, and is subject to an annual independent audit by Sunsuper's external auditor.

All Board members are members of the Investment Committee.

# Compliance

## Sunsuper complies

Sunsuper is a regulated fund under the Superannuation Industry (Supervision) Act 1993 (SIS), and has been a complying fund since inception in 1987. Sunsuper was granted an RSE licence by the Australian Prudential Regulation Authority (APRA) on 21 October, 2005.

It is the Trustee's responsibility to ensure that Sunsuper meets its licensing obligations, including compliance with the RSE licensee laws and the maintenance of a risk management strategy and plan. As a result, Sunsuper members benefit from the lower tax rates that apply to complying funds. The Trustee lodges a return each year with APRA indicating the Fund's compliance with relevant legislation, including SIS.

As an Australian Financial Services licensee, Sunsuper must also have arrangements in place to ensure that it complies with its licensee obligations as determined by the Australian Securities and Investment Commission (ASIC). These obligations relate to conduct and disclosure; the provision of financial services; the competence, knowledge and skills of its responsible officers, as well as their good fame and character; the training and competence of its staff and representatives; and dispute resolution and compensation arrangements. Sunsuper has planned and implemented compliance measures, processes and procedures to ensure it meets the obligations.

## Further information

Further information to help you understand your benefits or entitlements, the main features of the Fund, the management and financial condition of the Fund, the Fund's investment performance or investment strategies, is available by calling us on 13 11 84 or visiting [sunsuper.com.au](http://sunsuper.com.au).

## Insurance

The Trustee has implemented a comprehensive insurance programme, which includes trustee liability and professional indemnity insurance policies. This programme is designed to transfer some of the financial risks faced by the Trustee and the Fund to other parties. The nature and extent of the insurance policies in place has been determined through risk analysis and consultation with external risk advisors.

## Superannuation surcharge

This surcharge was abolished from 1 July, 2005, however, surcharge amounts may have been advised by the Australian Taxation Office (ATO) and been deducted from members' accounts during the 2010/2011 year. Sunsuper as the Trustee is responsible for the collection and the remittance of these amounts to the Australian Taxation Office (ATO) and will deduct any surcharge payable from your account.

## Eligible Rollover Fund

To protect the value of small accounts, Sunsuper may, at its discretion, transfer member accounts to an Eligible Rollover Fund (ERF) where:

- the member's account balance is low, and
- we have not received any contributions on the member's behalf for at least two years.

The ERF currently used by Sunsuper can be contacted as follows:

The AUSfund Administrator,  
PO Box 2468  
Kent Town  
SA 5071

Call: 1300 361 798

If your account balance is transferred to AUSfund:

- You will no longer be a member of Sunsuper Solutions.
- You will become a member of AUSfund and be subject to its governing rules. You should refer to the AUSfund Product Disclosure Statement (PDS) for details of its features. If Sunsuper can provide AUSfund with your contact details, AUSfund will provide you with its own Product Disclosure Statement (PDS) that outlines all the operational details of their fund.
- Investment earnings credited to your account will vary depending on the interest rate declared by the Trustee of AUSfund. You should refer to the AUSfund PDS, website and annual report for details of these investment earnings.
- A different fee structure will apply. AUSfund does not charge entry or exit fees. AUSfund accounts of \$50 or more attract an administration levy of \$14 per year or part-year. AUSfund is required to 'member protect', that is administration fees (not including Government taxes and investment fees) cannot be greater than the return credited in any financial year. Member protection does not apply to some account balances such as those under \$50, as no administration fee is deducted from such accounts and no returns are credited. Member protection may not apply to account balances \$50 or over when total investment earnings to be distributed to members are insufficient to cover the total administration levy to be deducted from members' benefits. In such a period, AUSfund is permitted to deduct a proportionate amount from members' accounts to cover administration costs.

Indirect investment and operational costs are deducted from the gross investment returns before interest rates are declared. You should refer to the AUSfund PDS for details of the fees which may apply.

- AUSfund has one diversified investment strategy and therefore doesn't provide investment choice. Rates of return are not guaranteed and investment returns provided to AUSfund members will be dependent on the performance of the underlying investment markets.
- AUSfund does not offer insured benefits in the event of death or disablement.

You can contact AUSfund directly to claim your benefit or to transfer it to another superannuation fund. You can access the AUSfund PDS at [www.unclaimedsuper.com.au](http://www.unclaimedsuper.com.au).

The trustee of AUSfund is Industry Funds Investments Limited, ABN 17 006 883 227, AFSL 229881.

## Dispute resolution

We offer a complaint resolution process at no cost to you. Contact us to discuss your complaint:

Customer Service Hotline: 13 11 84  
Customer Service Fax: 07 3016 7722

Sunsuper Customer Relations Team  
GPO Box 2924 Brisbane Qld 4001

Web: [sunsuper.com.au](http://sunsuper.com.au)

If your complaint is not resolved or Sunsuper has not responded within 90 days, you can contact the Superannuation Complaints Tribunal (SCT). This is an independent body set up by the Federal Government to help resolve complaints through conciliation.

They may be contacted by writing to:

The Secretariat Superannuation Complaints Tribunal  
Locked Bag 3060  
Melbourne Vic 3001

Phone: 1300 884 114

## Important information you should know about making a complaint to the SCT

The scope of matters that the SCT can deal with is limited by legislation, and it is possible that the SCT cannot deal with the matter. The SCT will advise you if they can deal with a complaint, and if so, what information is required.

The SCT can only deal with complaints where:

- the complainant is a member or former member of Sunsuper, or a person acting on behalf of a member or former member of his/her estate,
- the complaint relates to a Trustee decision or action in respect of a particular member of the fund, not the general management of the fund, and
- the complaint has first been dealt with under Sunsuper's internal complaint resolution procedures.

Access to the SCT is free of charge.

## Temporary residents

Super funds will be issued with a notice by the Australian Taxation Office (ATO) identifying who are not Australian or New Zealand citizens or permanent residents of Australia and who have left Australia after holding an Australian temporary resident visa. On receipt of the ATO notice, we will be required to transfer the benefit of any member recorded on the notice to the ATO. As Sunsuper adopts the ASIC class order relief that provides disclosure exemption for former temporary residents, information regarding the transfer of a member's benefits and significant event notices may not be provided to a member whose benefit has been transferred to the ATO. After departing Australia a former temporary resident can claim their benefit from Sunsuper (if we have not paid it to the ATO) or from the ATO. If you are applying to the ATO to claim your benefit and require information about the transfer, please contact us. The taxable component (taxed element) of a former temporary resident's benefit will be taxed at 35 per cent.

## Unit pricing error compensation

Sunsuper has put in place comprehensive controls in order to minimise the chance of unit pricing errors. Should the unlikely circumstance of an error occur and Sunsuper determines that compensation is payable to members that have been adversely affected, we aim to ensure existing Sunsuper members are in the same financial position as if the error did not occur. For exited members only amounts greater than \$20 will be compensated. Sunsuper's policy is in line with industry standards and regulatory guidelines.

# Financial statements

The financial statements identify:

- all contributions to the Fund,
- where the Fund's money was invested and how much income it earned,
- expenses the Fund paid,
- the amount of money left in the Fund to pay future benefits, and
- the amount the Fund paid out in benefits.

The Trustee is satisfied that the following abridged financial information derived from the audited Financial Statements of the Fund represents a true and accurate record of changes in the Fund's net assets during the year to 30 June, 2011 and the net assets as at 30 June, 2011. Audited Financial Statements and the Independent Report by the Fund's auditors are available to members on request.






STATEMENT OF NET ASSETS as at 30 June	2011 \$000	2010 \$000
<b>Investments</b>		
Cash and cash equivalents	2,830,071	2,702,818
Fixed interest securities	2,353,248	1,806,296
Australian equities	4,747,920	4,048,952
International equities	4,034,669	3,594,860
Property	1,370,360	911,789
Alternative assets	3,169,680	2,663,953
<b>Total investments</b>	<b>18,505,948</b>	<b>15,728,668</b>
<b>Other assets</b>		
Cash at bank	39,056	36,025
Contributions receivable	148,634	142,780
Other receivables	29,111	34,966
Plant and equipment	5,508	6,047
Intangible assets	2,119	3,197
Deferred tax asset	112,823	150,355
<b>Total other assets</b>	<b>337,251</b>	<b>373,370</b>
<b>Total assets</b>	<b>18,843,199</b>	<b>16,102,038</b>
<b>Liabilities</b>		
Benefits payable	87,627	90,472
Other payables	18,381	20,147
Provision for employee benefits	1,617	1,249
Current tax liabilities	334,758	268,395
Deferred tax liabilities	22,237	21,463
<b>Total liabilities</b>	<b>464,620</b>	<b>401,726</b>
<b>Net assets available to pay benefits</b>	<b>18,378,579</b>	<b>15,700,312</b>

STATEMENT OF CHANGES IN NET ASSETS for the year ended 30 June	2011 \$000	2010 \$000
<b>Revenue from ordinary activities</b>		
<b>Net investment revenue</b>		
Interest	194,040	125,920
Dividends and distributions	691,414	342,122
Rental and other investment income	34,720	25,915
Changes in net market value of investments	732,906	863,625
Less: Direct investment expenses	(61,186)	(52,348)
	<b>1,591,894</b>	<b>1,305,234</b>
<b>Contribution revenue</b>		
Employer contributions	1,971,549	1,809,097
Member contributions	216,336	211,027
Transfers from other funds	476,950	876,809
	<b>2,664,835</b>	<b>2,896,933</b>
<b>Other revenue</b>		
Group life insurance rebate	4,000	2,000
Group life insurance proceeds	82,453	91,827
Other income	125	278
	<b>86,578</b>	<b>94,105</b>
<b>Total revenue from ordinary activities</b>	<b>4,343,307</b>	<b>4,296,272</b>
<b>Expenditure from ordinary activities</b>		
<b>Direct member expenses</b>		
Group life insurance premiums	119,762	122,197
Other member and sub-plan specific expenses	507	1,035
	<b>120,269</b>	<b>123,232</b>
<b>Indirect member expenses charged to reserve</b>		
Fund administration expense	95,270	79,667
Audit fees	330	302
Depreciation expense	1,074	1,688
Amortisation expense	1,078	1,083
Anti-detriment payments	2,469	2,019
	<b>100,221</b>	<b>84,759</b>
<b>Benefits paid and payable</b>	<b>1,056,735</b>	<b>871,253</b>
<b>Total expenditure from ordinary activities</b>	<b>1,277,225</b>	<b>1,079,244</b>
<b>Total revenue less expenditure before income tax</b>	<b>3,066,082</b>	<b>3,217,028</b>
<b>Income tax expense</b>	<b>387,815</b>	<b>356,400</b>
<b>Total revenue less expenditure after income tax</b>	<b>2,678,267</b>	<b>2,860,628</b>
<b>Net assets available to pay benefits at the beginning of the year</b>	<b>15,700,312</b>	<b>12,839,684</b>
<b>Net assets available to pay benefits at the end of the year</b>	<b>18,378,579</b>	<b>15,700,312</b>

make your dreams  
more than dreams



**Contacting us is easy:**

-  13 11 84 (+61 7 3121 0700 when overseas)  
and speak to a Member Service Representative
-  [sunsuper.com.au](http://sunsuper.com.au)
-  GPO Box 2924 Brisbane Qld 4001
-  07 3016 7722
-  [twitter.com/sunsuper](https://twitter.com/sunsuper)

Sunsuper Pty Ltd  
ABN 88 010 720 840  
AFSL No.228975

Sunsuper Superannuation Fund  
ABN 98 503 137 921  
SPIN SSR 0100 AU

In 2011, Sunsuper has been recognised as one of Australia's leading superannuation funds by each of the separate independent organisations shown below.



Sunsuper is a member of The Association of Superannuation Funds of Australia Limited (ASFA).



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