

# Annual Report 2012–13

Sunsuper for life | Sunsuper Corporate



make your dreams  
more than dreams

 sunsuper

# Contents

|                       |    |
|-----------------------|----|
| Board report          | 1  |
| Investment options    | 2  |
| Investment managers   | 13 |
| Professional advisers | 15 |
| Sunsuper's reserves   | 15 |
| The Board             | 16 |
| Compliance            | 19 |
| Financial statements  | 21 |

## Board report

The Board is pleased to present the Sunsuper *Annual report* for the financial year ended 30 June 2013.



*Last financial year certainly provided some ups and downs in both the markets and political environment in Australia. But despite this, we are delighted to report that Sunsuper has continued to go from strength to strength. The funds we manage for our one million members increased by an impressive 21 per cent to more than \$23 billion as at 30 June 2013. Membership of our financial planning program, SunTracker, also grew by 33 per cent to 5,350 members, and more than 78,000 businesses across the nation continue to rely on us to help make managing their super obligations as easy as possible.*

In 2012-13 we once again cemented our position as the nation's leading superannuation fund by being awarded both *Money* magazine's and SuperRatings' prestigious Fund of the Year awards. On top of this, we were also recognised by leading ratings agency Chant West for our outstanding member services and insurance products by being awarded the 2013 Best Fund: Member Services and 2013 Best Fund: Insurance. This means that when it comes to looking after the super and pension needs of our members and clients, we continue to represent one of the best propositions in Australia.

The diversified nature of Sunsuper's investment portfolio means we were also well-positioned to ride out the highs and lows of the markets over the past 12 months and our investment returns ended the year on a positive note with both our super and pension Balanced options outperforming the industry average over 1, 7 and 10 years.\*

Additionally, we are happy to report that in February Sunsuper was the first super fund in Australia to secure approval from the Australian Prudential Regulation Authority (APRA) for a MySuper product. MySuper is largely reflective of our philosophy as a profit-for-members fund. Our primary objective is always to act in the best interests of our members with value-for-money products that will help them achieve their best retirement possible.

Being the first fund in Australia to secure APRA approval to offer a MySuper product positions Sunsuper at the forefront of the industry in terms of governance, product development, and operational efficiencies. This helps demonstrate the regulator's confidence in our ability to offer members a value-for-money default product, while at the same time ensuring our employers can meet the Government's requirements in terms of their super obligations.

In 2012-13 we also worked hard to unite Australians with their lost super. The Australian Taxation Office estimates that Australia's super system has 31.3 million member accounts. That's approximately three accounts for each working Australian. Since December 2011, we've helped our members consolidate more than \$90 million worth of savings, that they may have lost or forgotten about, into their Sunsuper account.

Over the past 12 months, we have also continued our partnership with the Ride to Conquer Cancer (RTCC) – in Sydney and Perth as the title sponsor and in Brisbane as the powered by sponsor – to help raise valuable funds for cancer research. In 2012 alone, the ride raised an amazing \$21.7 million nationally for cancer research. Our *Dreams for a better world* community-based initiative also continued throughout the year. Since its inception in 2011, we have helped more than 30 charities, not-for-profit groups, and individuals make their dreams for a better world come true, and it's a program of which we are especially proud.

## The year ahead

As always, we remain committed to providing a high level of service to our customers and will continue to develop initiatives to help members maximise their retirement dollars.

Our key areas of focus in 2013-14 will be to further understand our members' and employers' needs in order to deliver tailored products and services through the channels that suit them best, drive greater efficiencies through the use of technology, and take advantage of investment opportunities as they arise.

One of our big initiatives this year, for example, will be the launch on 4 October of our new innovative Lifecycle Investment Strategy as the default investment option for *Sunsuper for Life Super-savings accounts*. As a response to member feedback, the Lifecycle Strategy has been designed for members who want to generate wealth over the long term and gradually transition to low-risk investments as they approach age 65.

The Board would like to take this opportunity to thank Chief Executive Officer Tony Lally, his senior management team, and all Sunsuper staff for their outstanding performance during the year. Mr Lally stepped down from his position as CEO, effective 26 July 2013. The Board acknowledges Mr Lally's hard work and commitment to Sunsuper over the past 6 years, including his contribution to growing funds under management from \$11 billion to more than \$23 billion and Sunsuper being recognised as one of Australia's most awarded funds. The Board wishes Mr Lally all the best with his future endeavours. Mr Bruce Wilson has been appointed as the interim CEO until a replacement CEO is announced.

The Board would also like to acknowledge the retirement of Bill Ludwig. Mr Ludwig joined Sunsuper as a founding Director of the Sunsuper Board after the Fund's commencement in 1987. He has played a vital role in the Fund's growth and success. The Board would like to thank Mr Ludwig for his outstanding contribution to Sunsuper during his years of service and wish him all the best for the future. Mr Ludwig has been replaced by Mr Ben Swan, effective 5 August 2013.

\*Source: SuperRatings Fund Crediting Rate Survey June 2013 and SuperRatings Pension Fund Crediting Rate Survey June 2013. See [superratings.com.au](http://superratings.com.au) for more information. Past performance is not a reliable indication of future performance.



# 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** – Your goal is likely to be focused on producing returns which are significantly ahead of inflation over the long term. You understand that this may mean that the value of your investment may have large falls in the short term.
- **Balanced** – Your goal is likely to be focused on producing returns which are well ahead of inflation over the long term. You understand that this may mean that the value of your investment may fall in the short term.
- **Moderate** – Your goal is likely to be focused on generating wealth over the medium to long term, while maintaining some protection from the fluctuation of returns in the short term.
- **Conservative** – Your goal is likely to be focused on the security of your investment. You are prepared to give up the potential for higher returns over the long term, for comfort of less volatility.

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 3 to 12.

## Changes to investment options

During the year we changed the investment objectives for the Balanced, Growth, Retirement and Share options. Changes can be seen on page 18.

## 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 panels on pages 3 to 12.

## About Sunsuper's investment options

Sunsuper offers 20 investment options. There are five diversified options, 13 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.

Refer to page 17 for further information.

Effective 4 October 2013 we will also offer a new Lifecycle Investment Strategy as the default, MySuper approved, investment option for *Sunsuper for Life Super-savings accounts*. Refer to [sunsuper.com.au/lifecycle](http://sunsuper.com.au/lifecycle) for further information.

## Investment fees and costs

### Estimated base and performance fees for 2013-14

The investment option panels on pages 3 to 12 show the estimated base and performance fees for 2013-14.

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 2013-14 financial year.

### Actual investment fees for 2012-13

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 2012-13 financial year, is shown in the panels on pages 3 to 12. Some investment managers for the 2012-13 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 for life Product Disclosure Statement* or the *Sunsuper Corporate Product Disclosure Statement*.

## GROWTH

### Growth

#### DESCRIPTION

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.

#### Designed for members who:

Are wanting to generate wealth over the long term, but with less risk than an option invested solely in shares.

#### INVESTMENT OBJECTIVES

#### Investment return objective:

Beat inflation over 10 years: *Super-savings account* and *Sunsuper Corporate* by 5% p.a. (after investment fees and taxes) and *Income account* by 5.5% p.a. (after investment fees).<sup>1</sup>

**Style:** Multi-asset class, multi manager, active.

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

**Minimum suggested timeframe:** 7 years.

#### RISKS<sup>2</sup>

- Medium to high levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 3 to less than 4.
- Risk Label: Medium to high.

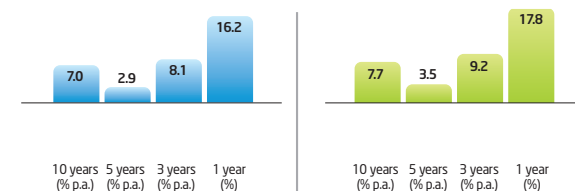
#### ASSET ALLOCATION

|                      | Actual % as at 30/06/12 | Actual % as at 30/06/13 | Strategic % as at 01/07/13 | Allowable range % as at 01/07/13 |
|----------------------|-------------------------|-------------------------|----------------------------|----------------------------------|
| Australian shares    | 28.0                    | 27.9                    | 30                         | 0-50                             |
| International shares | 29.2                    | 30.1                    | 30                         | 0-70                             |
| Private capital      | 11.6                    | 11.6                    | 10                         | 0-20                             |
| Property             | 8.8                     | 8.8                     | 9                          | 0-30                             |
| Infrastructure       | 4.7                     | 4.7                     | 5                          | 0-20                             |
| Fixed interest       | 5.2                     | 5.2                     | 5                          | 0-20                             |
| Hedge funds          | 11.2                    | 11.2                    | 10                         | 0-20                             |
| Cash                 | 1.3                     | 0.5                     | 1                          | 0-20                             |

#### INVESTMENT RETURNS<sup>3</sup>

For periods ending 30 June 2013

#### Super-savings and Sunsuper Corporate



#### INVESTMENT FEE<sup>4</sup>

#### Estimated investment fees for 2013-14

- **Base fee:** 0.60% p.a.
- **Performance fee:** 0.10% p.a.

#### Actual investment fees for 2012-13

- **Base fee:** 0.54% p.a.
- **Performance fee:** 0.19% p.a.
- **Buy/sell spread:** Nil

## BALANCED

### Balanced

#### DESCRIPTION

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

#### Designed for members who:

Are wanting to generate wealth over the long term, while being sensitive to the relative performance of other large Australian superannuation funds.

#### INVESTMENT OBJECTIVES

#### Investment return objective:

Outperform the median of similar super funds over 5, 7 and 10 years.

Beat inflation over 10 years: *Super-savings account* and *Sunsuper Corporate* by 4% p.a. (after investment fees and taxes) and *Income account* by 4.5% p.a. (after investment fees).<sup>1</sup>

**Style:** Multi-asset class, multi manager, active.

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

**Minimum suggested timeframe:** 5 years.

#### RISKS<sup>2</sup>

- Medium levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 2 to less than 3.
- Risk Label: Medium.

#### ASSET ALLOCATION

|                      | Actual % as at 30/06/12 | Actual % as at 30/06/13 | Strategic % as at 01/07/13 | Allowable range % as at 01/07/13 |
|----------------------|-------------------------|-------------------------|----------------------------|----------------------------------|
| Australian shares    | 27.1                    | 26.0                    | 28                         | 0-50                             |
| International shares | 26.8                    | 27.2                    | 27                         | 0-70                             |
| Private capital      | 7.8                     | 7.8                     | 7                          | 0-15                             |
| Property             | 8.9                     | 8.9                     | 9                          | 0-30                             |
| Infrastructure       | 4.8                     | 5.8                     | 5                          | 0-20                             |
| Fixed interest       | 12.8                    | 12.8                    | 13                         | 0-25                             |
| Hedge funds          | 7.7                     | 7.6                     | 7                          | 0-25                             |
| Cash                 | 4.1                     | 3.9                     | 4                          | 0-25                             |

#### INVESTMENT RETURNS<sup>3</sup>

For periods ending 30 June 2013

#### Super-savings and Sunsuper Corporate



#### INVESTMENT FEE<sup>4</sup>

#### Estimated investment fees for 2013-14

- **Base fee:** 0.55% p.a.
- **Performance fee:** 0.07% p.a.

#### Actual investment fees for 2012-13

- **Base fee:** 0.48% p.a.
- **Performance fee:** 0.15% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts* in *Sunsuper for life*.

2. Refer to the *Sunsuper for Life Investment guide* and [sunsuper.com.au/standardriskmeasure](http://sunsuper.com.au/standardriskmeasure) for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2013. *Sunsuper for life - Super-Savings account* and *Sunsuper Corporate* returns are after investment fees and tax have been deducted but before the Administration fee (Percentage fee) of 0.05%. *Sunsuper for life - Income account* returns are after investment fees have been deducted.

4. It is important to read the information on page 2. Buy/sell spreads are as at 30 June 2013.

## RETIREMENT

### Retirement

DESCRIPTION

Investment in a diversified mixture of assets.

**Designed 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.

INVESTMENT OBJECTIVES

**Investment return objective:**

Beat inflation over 10 years: *Super-savings account* and *Sunsuper Corporate* by 3.5% p.a. (after investment fees and taxes) and *Income account* by 4% p.a. (after investment fees).<sup>1</sup>

**Style:** Multi-asset class, multi manager, active.

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

**Minimum suggested timeframe:** 5 years.

RISKS<sup>2</sup>

- Low to medium levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 1 to less than 2.
- Risk Label: Low to medium.

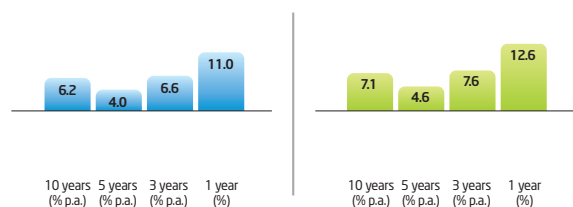
ASSET ALLOCATION

|                      | Actual % as at 30/06/12 | Actual % as at 30/06/13 | Strategic % as at 01/07/13 | Allowable range % as at 01/07/13 |
|----------------------|-------------------------|-------------------------|----------------------------|----------------------------------|
| Australian shares    | 18.7                    | 18.5                    | 18                         | 0-50                             |
| International shares | 16.4                    | 16.2                    | 17                         | 0-55                             |
| Private capital      | 5.9                     | 5.3                     | 5                          | 0-15                             |
| Property             | 8.0                     | 8.9                     | 9                          | 0-30                             |
| Infrastructure       | 4.6                     | 5.0                     | 5                          | 0-20                             |
| Fixed interest       | 29.8                    | 30.2                    | 30                         | 0-50                             |
| Hedge funds          | 6.8                     | 7.2                     | 7                          | 0-15                             |
| Cash                 | 9.8                     | 8.7                     | 9                          | 0-25                             |

INVESTMENT RETURNS<sup>3</sup>

For periods ending 30 June 2013

**Super-savings and Sunsuper Corporate**      **Income account**



DESCRIPTION

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

**Designed for members who:**

Are seeking less volatile returns while maintaining some growth exposure. Using money in the short term is likely to be the main purpose.

INVESTMENT OBJECTIVES

**Investment return objective:**

Returns after investment fees and taxes (where applicable<sup>1</sup>) of 1% p.a. above the UBS Australia Bank Bill Index after investment tax (where applicable<sup>1</sup>) over periods of 2 to 5 years.

**Style:** Multi-asset class, multi manager, active.

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

**Minimum suggested timeframe:** 3 years.

RISKS<sup>2</sup>

- Low levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 0.5 to less than 1.
- Risk Label: Low.

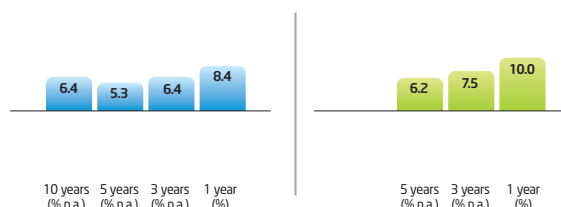
ASSET ALLOCATION

|                      | Actual % as at 30/06/12 | Actual % as at 30/06/13 | Strategic % as at 01/07/13 | Allowable range % as at 01/07/13 |
|----------------------|-------------------------|-------------------------|----------------------------|----------------------------------|
| Australian shares    | 10.3                    | 10.2                    | 10                         | 0-15                             |
| International shares | 10.1                    | 9.5                     | 10                         | 0-30                             |
| Private capital      | 0.0                     | 0.0                     | 0                          | 0-5                              |
| Property             | 5.5                     | 5.9                     | 6                          | 0-20                             |
| Infrastructure       | 4.1                     | 4.0                     | 4                          | 0-20                             |
| Fixed interest       | 44.9                    | 45.3                    | 45                         | 0-50                             |
| Hedge funds          | 6.9                     | 7.2                     | 7                          | 0-15                             |
| Cash                 | 18.2                    | 17.9                    | 18                         | 0-100                            |

INVESTMENT RETURNS<sup>3</sup>

For periods ending 30 June 2013

**Super-savings and Sunsuper Corporate**      **Income account**



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

INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.50% p.a.
- **Performance fee:** 0.07% p.a.

**Actual investment fees for 2012-13**

- **Base fee:** 0.42% p.a.
- **Performance fee:** 0.13% p.a.
- **Buy/sell spread:** Nil

INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.45% p.a.
- **Performance fee:** 0.07% p.a.

**Actual investment fees for 2012-13**

- **Base fee:** 0.37% p.a.
- **Performance fee:** 0.12% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts* in *Sunsuper for life*.

2. Refer to the *Sunsuper for Life Investment guide* and [sunsuper.com.au/standardriskmeasure](http://sunsuper.com.au/standardriskmeasure) for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2013. *Sunsuper for life - Super-Savings account* and *Sunsuper Corporate* returns are after investment fees and tax have been deducted but before the Administration fee (Percentage fee) of 0.05%. *Sunsuper for life - Income account* returns are after investment fees have been deducted.

4. It is important to read the information on page 2. Buy/sell spreads are as at 30 June 2013.

## BALANCED

### Balanced – Index

DESCRIPTION

Investment in a mixture of assets, with an emphasis on Australian shares and international shares.

**Designed for members who:**

Are seeking to accumulate wealth over the long term and who want exposure to a range of publicly traded assets invested in line with standard market indices.

INVESTMENT OBJECTIVES

**Investment return objective:**

Closely match the return of the performance benchmark, before investment tax<sup>1</sup> and fees.

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

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

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

**Minimum suggested timeframe:** 5 years.

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

RISKS<sup>2</sup>

- Medium to high levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 3 to less than 4.
- Risk Label: Medium to high.

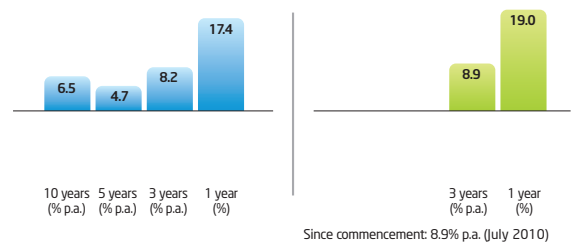
ASSET ALLOCATION

|                      | Actual % as at 30/06/12 | Actual % as at 30/06/13 | Strategic % as at 01/07/13 | Allowable range % as at 01/07/13 |
|----------------------|-------------------------|-------------------------|----------------------------|----------------------------------|
| Australian shares    | 35.2                    | 35.0                    | 35                         | 33-37                            |
| International shares | 24.9                    | 25.1                    | 25                         | 21-29                            |
| Property             | 10.0                    | 10.2                    | 10                         | 6-14                             |
| Fixed interest       | 24.8                    | 24.7                    | 25                         | 21-29                            |
| Cash                 | 5.1                     | 5.0                     | 5                          | 3-7                              |

INVESTMENT RETURNS<sup>3</sup>

For periods ending 30 June 2013

**Super-savings and Sunsuper Corporate**      **Income account**



INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.16% p.a.
- **Performance fee:** n/a

**Actual investment fees for 2012-13**

- **Base fee:** 0.16% p.a.
- **Performance fee:** n/a
- **Buy/sell spread:** 0.15%/0.11%

## SHARES

### Shares

DESCRIPTION

Investment in a mixture of Australian and international shares.

**Designed for members who:**

Are seeking to accumulate wealth over the long term and who can accept full exposure to the ups and downs of share markets.

INVESTMENT OBJECTIVES

**Investment return objective:**

Beat inflation over 10 years: *Super-savings account* and *Sunsuper Corporate* by 5% p.a. (after investment fees and taxes) and *Income account* by 5.5% p.a. (after investment fees).<sup>1</sup>

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

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

**Minimum suggested timeframe:** 7 years.

RISKS<sup>2</sup>

- High levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 4 to less than 6.
- Risk Label: High.

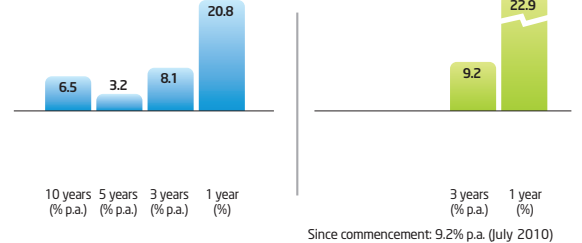
ASSET ALLOCATION

|                      | Actual % as at 30/06/12 | Actual % as at 30/06/13 | Strategic % as at 01/07/13 | Allowable range % as at 01/07/13 |
|----------------------|-------------------------|-------------------------|----------------------------|----------------------------------|
| Australian shares    | 50.0                    | 50.8                    | 50                         | 25-75                            |
| International shares | 50.0                    | 49.2                    | 50                         | 10-90                            |
| Fixed interest       | 0.0                     | 0.0                     | 0                          | 0-30                             |
| Cash                 | 0.0                     | 0.0                     | 0                          | 0-20                             |

INVESTMENT RETURNS<sup>3</sup>

For periods ending 30 June 2013

**Super-savings and Sunsuper Corporate**      **Income account**



INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.50% p.a.
- **Performance fee:** 0.07% p.a.

**Actual investment fees for 2012-13**

- **Base fee:** 0.43% p.a.
- **Performance fee:** 0.04% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts* in *Sunsuper for life*.

2. Refer to the *Sunsuper for Life Investment guide* and [sunsuper.com.au/standardriskmeasure](http://sunsuper.com.au/standardriskmeasure) for more information.

3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2013. *Sunsuper for life - Super-Savings account* and *Sunsuper Corporate* returns are after investment fees and tax have been deducted but before the Administration fee (Percentage fee) of 0.05%. *Sunsuper for life - Income account* returns are after investment fees have been deducted.

4. It is important to read the information on page 2. Buy/sell spreads are as at 30 June 2013.

# SHARES

## Australian Shares

**DESCRIPTION**  
 Investment in Australian shares.  
**Designed for members who:**  
 Are seeking to earn returns from investment in the Australian shares asset class with active management aiming to achieve better long-term returns than available in the standard market index for this sector.

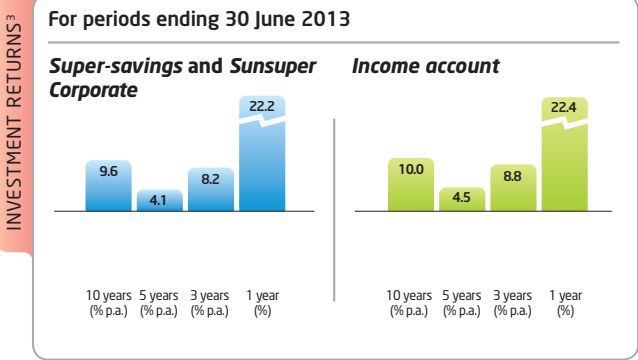
**INVESTMENT OBJECTIVES**  
**Investment return objective:**  
 Beat the performance benchmark by 1% p.a. before investment tax<sup>1</sup> but after investment fees over rolling 5 year periods.  
**Performance benchmark:** S&P/ASX 300 Accumulation Index.  
**Style:** Multi-manager, active.  
**Minimum suggested timeframe:** 7 years.

**RISKS<sup>2</sup>**

- High levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 4 to less than 6.
- Risk Label: High.

**ASSET ALLOCATION**

|                   | Strategic % as at 01/07/13 |
|-------------------|----------------------------|
| Australian shares | 100                        |



**INVESTMENT FEE<sup>4</sup>**  
**Estimated investment fees for 2013-14**

- Base fee: 0.30% p.a.
- Performance fee: 0.10% p.a.

**Actual investment fees for 2012-13**

- Base fee: 0.29% p.a.
- Performance fee: 0.05% p.a.
- Buy/sell spread: Nil

## Australian Shares – Index

**DESCRIPTION**  
 Investment in Australian shares.  
**Designed for members who:**  
 Are seeking to earn returns from investment in the Australian shares asset class with passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector.

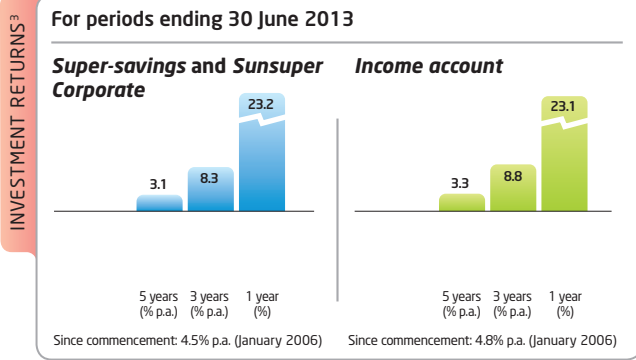
**INVESTMENT OBJECTIVES**  
**Investment return objective:**  
 Closely match the returns of the performance benchmark, before investment tax<sup>1</sup> and fees.  
**Performance benchmark:** S&P/ASX 200 Accumulation Index.  
**Style:** Single-manager, index.  
**Minimum suggested timeframe:** 7 years.  
**Additional info:** This option is managed by SSgA.

**RISKS<sup>2</sup>**

- High levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 4 to less than 6.
- Risk Label: High.

**ASSET ALLOCATION**

|                   | Strategic % as at 01/07/13 |
|-------------------|----------------------------|
| Australian shares | 100                        |



**INVESTMENT FEE<sup>4</sup>**  
**Estimated investment fees for 2013-14**

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

**Actual investment fees for 2012-13**

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

1. No investment tax generally applies for *Income accounts* in Sunsuper for life.  
 2. Refer to the Sunsuper for Life Investment guide and [sunsuper.com.au/standardriskmeasure](http://sunsuper.com.au/standardriskmeasure) for more information.  
 3. Past performance is not a reliable indication of future performance. Returns are for the periods ended 30 June 2013. Sunsuper for life – Super-Savings account and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the Administration fee (Percentage fee) of 0.05%. Sunsuper for life – Income account returns are after investment fees have been deducted.  
 4. It is important to read the information on page 2. Buy/sell spreads are as at 30 June 2013.



# SHARES

## International Shares (hedged)

DESCRIPTION

Investment in international shares.

**Designed for members who:**

Are seeking to earn returns from investment in the international shares asset class with most currency exposure being hedged back to the Australian dollar and active management aiming to achieve better long-term returns than available in the standard market index for this sector.

INVESTMENT OBJECTIVES

**Investment return objective:**

Beat the performance benchmark by 1-2% p.a. before investment tax<sup>1</sup> but after investment fees over rolling 5 year periods.

**Performance benchmark:** MSCI All Countries World Index IMI in \$A (hedged).

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

**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.

**Minimum suggested timeframe:** 7 years.

RISKS<sup>2</sup>

- High levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 4 to less than 6.
- Risk Label: High.

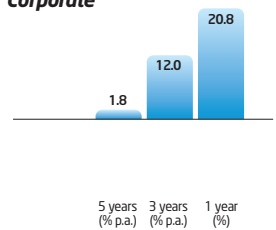
ASSET ALLOCATION

|                      | Strategic % as at 01/07/13 |
|----------------------|----------------------------|
| International shares | 100                        |

INVESTMENT RETURNS<sup>3</sup>

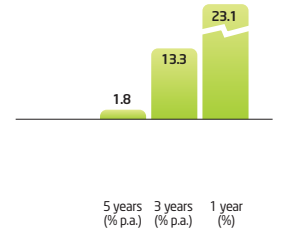
For periods ending 30 June 2013

**Super-savings and Sunsuper Corporate**



Since commencement: 2.1% p.a. (January 2006)

**Income account**



Since commencement: 2.3% p.a. (January 2006)

INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.65% p.a.
- **Performance fee:** 0.05% p.a.

**Actual investment fees for 2012-13**

- **Base fee:** 0.58% p.a.
- **Performance fee:** Nil
- **Buy/sell spread:** Nil

## International Shares (unhedged)

DESCRIPTION

Investment in international shares.

**Designed for members who:**

Are seeking to earn returns from investment in the international shares asset class with currency exposure unhedged and active management aiming to achieve better long-term returns than available in the standard market index for this sector.

INVESTMENT OBJECTIVES

**Investment return objective:**

Beat the performance benchmark by 1-2% p.a. before investment tax<sup>1</sup> but after investment fees over rolling 5 year periods.

**Performance benchmark:** MSCI All Countries World Index IMI in \$A (unhedged).

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

**Currency:** Unhedged.

**Minimum suggested timeframe:** 7 years.

RISKS<sup>2</sup>

- High levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 4 to less than 6.
- Risk Label: High.

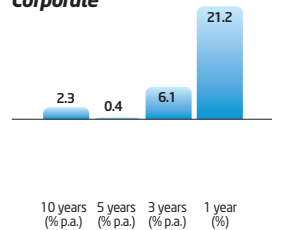
ASSET ALLOCATION

|                      | Strategic % as at 01/07/13 |
|----------------------|----------------------------|
| International shares | 100                        |

INVESTMENT RETURNS<sup>3</sup>

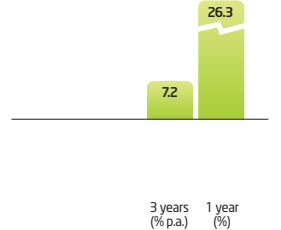
For periods ending 30 June 2013

**Super-savings and Sunsuper Corporate**



Since commencement: 7.2% p.a. (July 2010)

**Income account**



Since commencement: 7.2% p.a. (July 2010)

INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.65% p.a.
- **Performance fee:** 0.05% p.a.

**Actual investment fees for 2012-13**

- **Base fee:** 0.56% p.a.
- **Performance fee:** 0.02% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts* in *Sunsuper for life*.  
 2. Refer to the *Sunsuper for Life Investment guide* and [sunsuper.com.au/standardriskmeasure](http://sunsuper.com.au/standardriskmeasure) for more information.  
 3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2013. *Sunsuper for life - Super-Savings account* and *Sunsuper Corporate* returns are after investment fees and tax have been deducted but before the Administration fee (Percentage fee) of 0.05%. *Sunsuper for life - Income account* returns are after investment fees have been deducted.  
 4. It is important to read the information on page 2. Buy/sell spreads are as at 30 June 2013.

## SHARES

### International Shares – enhanced index (hedged)

DESCRIPTION

Investment in international shares.  
**Designed for members who:**  
 Are seeking to earn returns from investment in the international shares asset class with currency exposure being hedged back to the Australian dollar and passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector.

INVESTMENT OBJECTIVES

**Investment return objective:**  
 Beat the performance benchmark by 0.75-1% p.a. before investment tax<sup>1</sup> and fees over rolling 3 year periods.  
**Performance benchmark:** MSCI World Ex-Australia Index in \$A (hedged).  
**Style:** Single-manager, enhanced index.  
**Currency:** Hedged.  
**Minimum suggested timeframe:** 7 years.  
**Additional info:** This option is managed by SSgA.

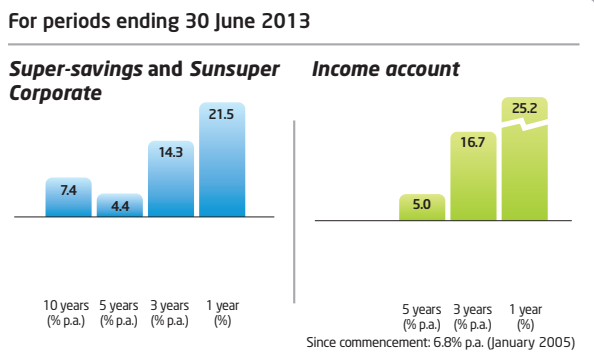
RISKS<sup>2</sup>

- High levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 4 to less than 6.
- Risk Label: High.

ASSET ALLOCATION

|                      | Strategic % as at 01/07/13 |
|----------------------|----------------------------|
| International shares | 100                        |

INVESTMENT RETURNS<sup>3</sup>



INVESTMENT FEES<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.25% p.a.
- **Performance fee:** n/a

**Actual investment fees for 2012-13**

- **Base fee:** 0.23% p.a.
- **Performance fee:** n/a
- **Buy/sell spread:** 0.31%/0.26%

### International Shares – enhanced index (unhedged)

DESCRIPTION

Investment in international shares.  
**Designed for members who:**  
 Are seeking to earn returns from investment in the international shares asset class with currency exposure unhedged and passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector.

INVESTMENT OBJECTIVES

**Investment return objective:**  
 Beat the performance benchmark by 0.75-1% p.a. before investment tax<sup>1</sup> and fees over rolling 3 year periods.  
**Performance benchmark:** MSCI World Ex-Australia Index in \$A (unhedged).  
**Style:** Single-manager, enhanced index.  
**Currency:** Unhedged.  
**Minimum suggested timeframe:** 7 years.  
**Additional info:** This option is managed by SSgA.

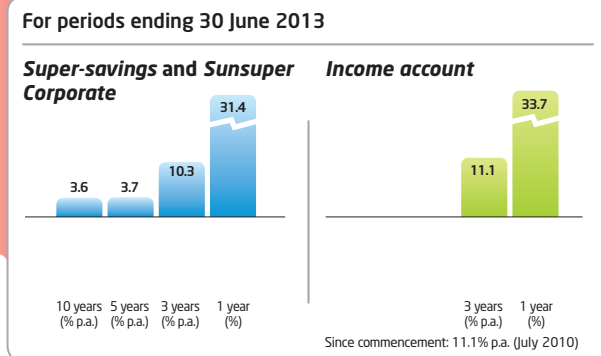
RISKS<sup>2</sup>

- High levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 4 to less than 6.
- Risk Label: High.

ASSET ALLOCATION

|                      | Strategic % as at 01/07/13 |
|----------------------|----------------------------|
| International shares | 100                        |

INVESTMENT RETURNS<sup>3</sup>



INVESTMENT FEES<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.25% p.a.
- **Performance fee:** n/a

**Actual investment fees for 2012-13**

- **Base fee:** 0.25% p.a.
- **Performance fee:** n/a
- **Buy/sell spread:** 0.30%/0.25%

1. No investment tax generally applies for *Income accounts* in Sunsuper for life.

2. Refer to the Sunsuper for Life Investment guide and [sunsuper.com.au/standardriskmeasure](http://sunsuper.com.au/standardriskmeasure) for more information.

3. Past performance is not a reliable indication of future performance. Returns are for the periods ended 30 June 2013. Sunsuper for life - Super-Savings account and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the Administration fee (Percentage fee) of 0.05%. Sunsuper for life - Income account returns are after investment fees have been deducted.

# SHARES

## Emerging Markets Shares

DESCRIPTION

Investment in international shares focusing on emerging markets.  
**Designed for members who:**  
 Are seeking to earn returns from investment in the emerging markets shares asset class with active management aiming to achieve better long-term returns than available in the standard market index for this sector.

INVESTMENT OBJECTIVES

**Investment return objective:**  
 Beat the performance benchmark by 1-2% p.a. before investment tax<sup>1</sup> but after investment fees over rolling 5 year periods.  
**Performance benchmark:** MSCI Emerging Markets Investable Markets Index in \$A unhedged.  
**Style:** Multi-manager, active.  
**Currency:** In normal circumstances the option is unhedged to Australian dollars. Currency exposures are individually managed by the underlying managers.  
**Minimum suggested timeframe:** 7 years.

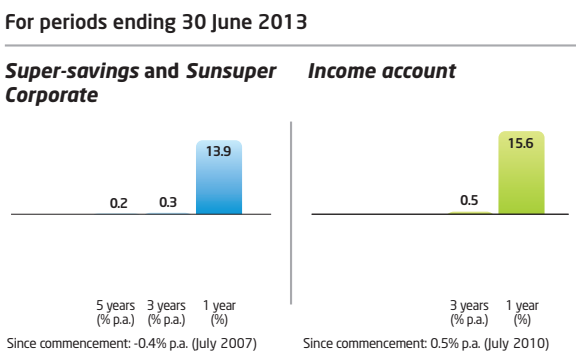
RISKS<sup>2</sup>

- High levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 4 to less than 6.
- Risk Label: High.

ASSET ALLOCATION

|                                | Strategic % as at 01/07/13 | Allowable range % as at 01/07/13 |
|--------------------------------|----------------------------|----------------------------------|
| International shares emerging  | 100                        | 70-100                           |
| International shares developed | 0                          | 0-30                             |

INVESTMENT RETURNS<sup>3</sup>



INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.94% p.a.
- **Performance fee:** 0.05% p.a.

**Actual investment fees for 2012-13**

- **Base fee:** 0.64% p.a.
- **Performance fee:** Nil
- **Buy/sell spread:** Nil

# PROPERTY

## Property

DESCRIPTION

Investment in Australian and international property.  
**Designed for members who:**  
 Are seeking to earn returns from investment in the property asset class with active management aiming to achieve better long-term returns than available in the standard market index for this sector.

INVESTMENT OBJECTIVES

**Investment return objective:**  
 Beat the performance benchmark before investment tax<sup>1</sup> but after investment fees over rolling 5 year periods.  
**Performance benchmark:** 50% S&P/ASX 200 A-REIT Index, plus 50% FTSE EPRA/NAREIT Global REIT \$A (hedged).  
**Style:** Multi-manager, active.  
**Currency:** Hedged.  
**Minimum suggested timeframe:** 7 years.

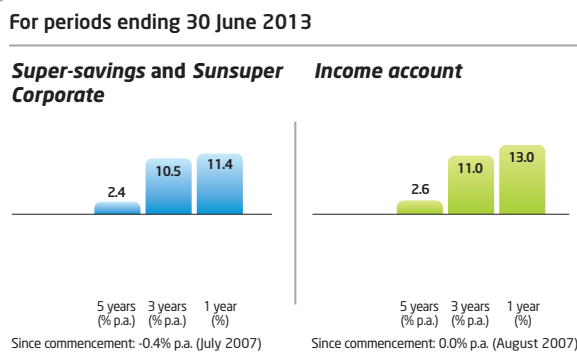
RISKS<sup>2</sup>

- Medium to high levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 3 to less than 4.
- Risk Label: Medium to high.

ASSET ALLOCATION

|          | Strategic % as at 01/07/13 |
|----------|----------------------------|
| Property | 100                        |

INVESTMENT RETURNS<sup>3</sup>



INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.90% p.a.
- **Performance fee:** 0.10% p.a.

**Actual investment fees for 2012-13**

- **Base fee:** 0.93% p.a.
- **Performance fee:** 0.04% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts* in *Sunsuper for life*.  
 2. Refer to the *Sunsuper for Life Investment guide* and [sunsuper.com.au/standardriskmeasure](http://sunsuper.com.au/standardriskmeasure) for more information.  
 3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2013. *Sunsuper for life - Super-Savings account* and *Sunsuper Corporate* returns are after investment fees and tax have been deducted but before the Administration fee (Percentage fee) of 0.05%. *Sunsuper for life - Income account* returns are after investment fees have been deducted.  
 4. It is important to read the information on page 2. Buy/sell spreads are as at 30 June 2013.

## PROPERTY

### Australian Property – Index

DESCRIPTION

Investment in Australian listed property.  
**Designed for members who:**  
 Are seeking to earn returns from investment in the Australian property asset class with passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector.

INVESTMENT OBJECTIVES

**Investment return objective:**  
 Closely match the returns of the performance benchmark, before investment tax<sup>1</sup> and fees.  
**Performance benchmark:** S&P/ASX 200 A-REIT Index.  
**Style:** Single-manager, index.  
**Minimum suggested timeframe:** 7 years.  
**Additional Info:** This option is managed by SSgA.

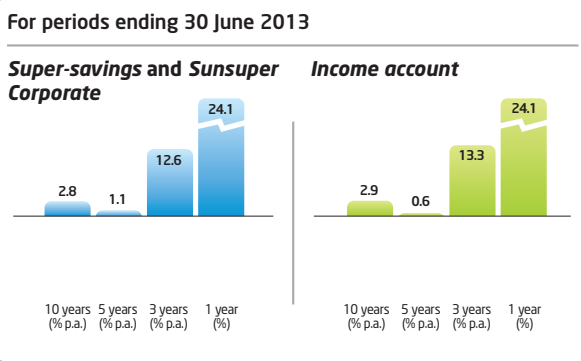
RISKS<sup>2</sup>

- High levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 4 to less than 6.
- Risk Label: High.

ASSET ALLOCATION

|          | Strategic % as at 01/07/13 |
|----------|----------------------------|
| Property | 100                        |

INVESTMENT RETURNS<sup>3</sup>



INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

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

**Actual investment fees for 2012-13**

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

## FIXED INTEREST AND CASH

### Fixed interest

DESCRIPTION

Investment in fixed interest.  
**Designed for members who:**  
 Are seeking to earn returns from investment in the fixed interest asset class with active management aiming to achieve better long-term returns than available in the standard market index for this sector.

INVESTMENT OBJECTIVES

**Investment return objective:**  
 Beat the performance benchmark by 0.5-1.0% p.a. before investment tax<sup>1</sup> but after investment fees over rolling 5 year periods.  
**Performance benchmark:** Citigroup World Broad Investment Grade Index in \$A (hedged).  
**Style:** Multi-manager, active.  
**Currency:** Hedged.  
**Minimum suggested timeframe:** 3 years.

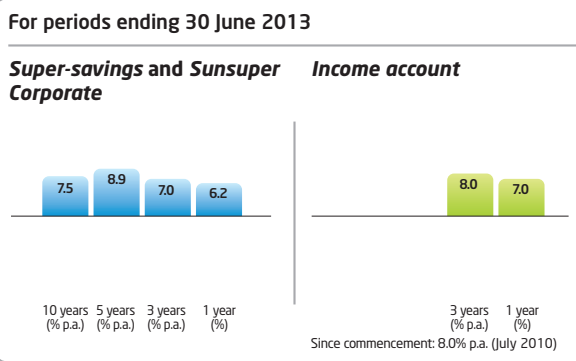
RISKS<sup>2</sup>

- Low levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 0.5 to less than 1.
- Risk Label: Low.

ASSET ALLOCATION

|                | Strategic % as at 01/07/13 |
|----------------|----------------------------|
| Fixed interest | 100                        |

INVESTMENT RETURNS<sup>3</sup>



INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.35% p.a.
- **Performance fee:** 0.02% p.a.

**Actual investment fees for 2012-13**

- **Base fee:** 0.26% p.a.
- **Performance fee:** 0.03% p.a.
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts* in Sunsuper for life.  
 2. Refer to the Sunsuper for Life Investment guide and [sunsuper.com.au/standardriskmeasure](http://sunsuper.com.au/standardriskmeasure) for more information.  
 3. Past performance is not a reliable indication of future performance. Returns are for the periods ended 30 June 2013. Sunsuper for life - Super-Savings account and Sunsuper Corporate returns are after investment fees and tax have been deducted but before the Administration fee (Percentage fee) of 0.05%. Sunsuper for life - Income account returns are after investment fees have been deducted.  
 4. It is important to read the information on page 2. Buy/sell spreads are as at 30 June 2013.



# FIXED INTEREST AND CASH

## Fixed interest – Index

DESCRIPTION

Investment in fixed interest.  
**Designed for members who:**  
 Are seeking to earn returns from investment in the fixed interest asset class with passive management aiming to achieve long-term returns that are close to the returns of the standard market index for this sector.

INVESTMENT OBJECTIVES

**Investment return objective:**  
 Closely match the returns of the performance benchmark, before investment tax<sup>1</sup> and fees.  
**Performance benchmark:** Citigroup World Government Bond Index Ex-Australia \$A (hedged).  
**Style:** Single-manager, index.  
**Currency:** Hedged.  
**Minimum suggested timeframe:** 3 years.  
**Additional Info:** This option is managed by SSgA.

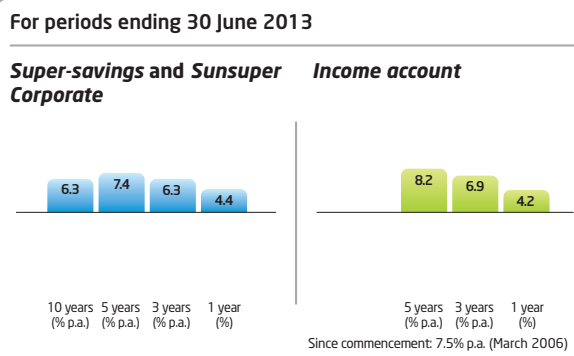
RISKS<sup>2</sup>

- Low to medium levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: 1 to less than 2.
- Risk Label: Low to medium.

ASSET ALLOCATION

|                | Strategic % as at 01/07/13 |
|----------------|----------------------------|
| Fixed interest | 100                        |

INVESTMENT RETURNS<sup>3</sup>



INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

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

**Actual investment fees for 2012-13**

- **Base fee:** 0.15% p.a.
- **Performance fee:** n/a
- **Buy/sell spread:** 0.06%/0.06%

## Cash

DESCRIPTION

Investment in cash.  
**Designed for members who:**  
 Are seeking to accumulate a lump sum or derive income over time by earning returns that are close to the level of short-term interest rates in the Australian economy.

INVESTMENT OBJECTIVES

**Investment return objective:**  
 Match or exceed the returns of the performance benchmark before investment tax<sup>1</sup> but after investment fees.  
**Performance benchmark:** UBS Australia Bank Bill Index.  
**Style:** Multi-manager, active.  
**Minimum suggested timeframe:** 1 year.

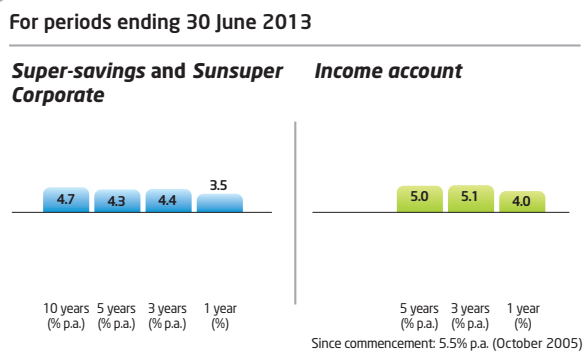
RISKS<sup>2</sup>

- Very low levels of volatility in the returns from year to year.
- Expected number of years of negative returns over any 20-year period: Less than 0.5.
- Risk Label: Very low.

ASSET ALLOCATION

|      | Strategic % as at 01/07/13 |
|------|----------------------------|
| Cash | 100                        |

INVESTMENT RETURNS<sup>3</sup>



INVESTMENT FEE<sup>4</sup>

**Estimated investment fees for 2013-14**

- **Base fee:** 0.10% p.a.
- **Performance fee:** n/a

**Actual investment fees for 2012-13**

- **Base fee:** 0.10% p.a.
- **Performance fee:** n/a
- **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts* in *Sunsuper for life*.  
 2. Refer to the *Sunsuper for Life Investment guide* and [sunsuper.com.au/standardriskmeasure](http://sunsuper.com.au/standardriskmeasure) for more information.  
 3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2013. *Sunsuper for life - Super-Savings account* and *Sunsuper Corporate* returns are after investment fees and tax have been deducted but before the Administration fee (Percentage fee) of 0.05%. *Sunsuper for life - Income account* returns are after investment fees have been deducted.  
 4. It is important to read the information on page 2. Buy/sell spreads are as at 30 June 2013.

# SPECIAL OPTIONS

## Ethical, Environmental and Socially Responsible Investments

**DESCRIPTION**  
Investment in a portfolio diversified across all asset types, but with an emphasis on shares and property.  
**Designed for members who:**  
Are seeking to accumulate wealth over the long term and who want to ensure that their investments are made in line with an extended set of environmental, social and governance principles.

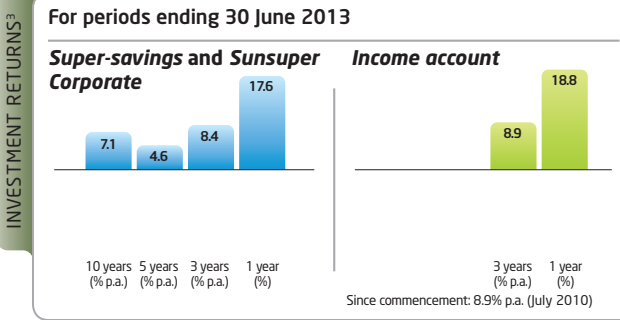
**INVESTMENT OBJECTIVES**  
**Investment return objective:**  
To provide a total return, after costs and before tax (where applicable<sup>1</sup>), higher than the return from the performance benchmark on a rolling 5 year basis.  
**Performance benchmark:** The average weighted return of the market indices used to measure the performance of the underlying funds in which the option invests.  
**Style:** Responsible Investment multi-manager, active and index.  
**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.  
**Minimum suggested timeframe:** 5 years.  
**Additional Info:** This option is managed by AMP Capital.  
**Sunsuper SRI certification:** SunsUPER's only certified SRI option is offered through Ethical, Environmental and Socially Responsible Investments.

**RISKS<sup>2</sup>**  
• Medium levels of volatility in the returns from year to year.  
• Expected number of years of negative returns over any 20-year period: 2 to less than 3.  
• Risk Label: Medium.

**ASSET ALLOCATION**

|                      | Actual % as at 30/06/12 | Actual % as at 30/06/13 | Strategic % as at 01/07/13 | Allowable range % as at 01/07/13 |
|----------------------|-------------------------|-------------------------|----------------------------|----------------------------------|
| Australian shares    | 35.0                    | 32.2                    | 33.0                       | 26-40                            |
| International shares | 26.3                    | 25.5                    | 24.5                       | 15-30                            |
| Property             | 13.1                    | 10.0                    | 10.0                       | 0-28                             |
| Fixed interest       | 22.0                    | 16.5                    | 25.0                       | 10-36                            |
| Cash                 | 2.5                     | 13.5                    | 6.0                        | 0-16                             |
| Alternatives*        | 1.1                     | 2.3                     | 1.5                        | 0-6                              |

\*May include infrastructure, forestry and private equity



**INVESTMENT FEE<sup>4</sup>**  
**Estimated investment fees for 2013-14**  
• **Base fee:** 0.65% p.a.  
• **Performance fee:** 0.02% p.a.

**Actual investment fees for 2012-13**  
• **Base fee:** 0.65% p.a.  
• **Performance fee:** Nil  
• **Buy/sell spread:** 0.22%/0.22%

## Capital Guaranteed

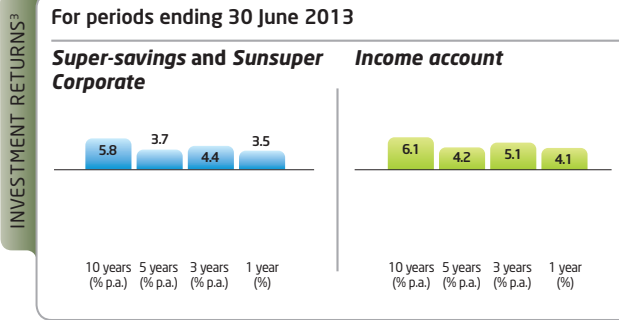
**DESCRIPTION**  
Investment in a mixture of cash deposits with Authorised Deposit-taking Institutions (ADIs) and investments in capital guaranteed superannuation products.  
**Designed for members who:**  
Are seeking to accumulate a lump sum or derive income over time with the benefit of guarantees from banks and insurance companies that the value of their investment will not decline.

**INVESTMENT OBJECTIVES**  
**Investment return 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 (where applicable<sup>1</sup>) and investment fees) is the return of the performance benchmark over rolling 5 year periods.  
**Performance benchmark:** UBS Australia Bank Bill Index after investment tax (where applicable<sup>1</sup>).  
**Style:** Multi-manager, active.  
**Minimum suggested timeframe:** 5 years.  
**Additional Info:** 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.

**RISKS<sup>2</sup>**  
• Very low levels of volatility in the returns from year to year.  
• Expected number of years of negative returns over any 20-year period: Less than 0.5.  
• Risk Label: Very low.

**ASSET ALLOCATION**

|   | Strategic % as at 01/07/13 |
|---|----------------------------|
| Deposits with ADIs and Capital Guaranteed Investments | 100                        |



**INVESTMENT FEE<sup>4</sup>**  
**Estimated investment fees for 2013-14**  
• **Base fee:** 0.40% p.a.  
• **Performance fee:** Nil

**Actual investment fees for 2012-13**  
• **Base fee:** 0.41% p.a.  
• **Performance fee:** Nil  
• **Buy/sell spread:** Nil

1. No investment tax generally applies for *Income accounts* in *Sunsuper for life*.  
2. Refer to the *Sunsuper for Life Investment guide* and [sunsuper.com.au/standardriskmeasure](http://sunsuper.com.au/standardriskmeasure) for more information.  
3. **Past performance is not a reliable indication of future performance.** Returns are for the periods ended 30 June 2013. *Sunsuper for life - Super-Savings account* and *Sunsuper Corporate* returns are after investment fees and tax have been deducted but before the Administration fee (Percentage fee) of 0.05%. *Sunsuper for life - Income account* returns are after investment fees have been deducted.  
4. It is important to read the information on page 2. Buy/sell spreads are as at 30 June 2013.

# Investment managers (as at 30 June 2013)

## Customised Investment Management Agreements:

| Manager  | Asset classes                   | \$mil   |
|--|---------------------------------|---------|
| Access Capital Advisers Pty Ltd                              | Fixed Interest, Infrastructure  | 22.2    |
| Acorn Capital Limited  | Australian Shares               | 160.7   |
| AMP Capital Investors Limited                                | Infrastructure, Property        | 620.2   |
| Baillie Gifford Overseas Limited                             | International Shares            | 562.5   |
| Balanced Equity Management Pty Limited                       | Australian Shares               | 1,342.9 |
| Barwon Investment Partners Pty Ltd                           | Private Capital                 | 86.9    |
| Brandes Investment Partners & Co                             | International Shares (Emerging) | 417.3   |
| CFS Managed Property Limited                                 | Infrastructure                  | 243.0   |
| GMO Australia Limited  | International Shares            | 922.1   |
| GSO Capital Partners LP                                      | Fixed Interest                  | 134.2   |
| Hastings Investment Management Pty Limited                   | Infrastructure                  | 224.6   |
| HEXAM Capital Partners LLP                                   | International Shares (Emerging) | 278.7   |
| INVESCO Australia Limited                                    | Australian Shares               | 148.8   |
| Lazard Asset Management Pacific Co                           | International Shares            | 935.1   |
| Macquarie Specialised Asset Management Limited               | Infrastructure                  | 100.2   |
| Maple-Brown Abbott Limited                                   | Australian Shares               | 803.9   |
| Morgan Stanley Investment Management (Australia) Pty Limited | Fixed Interest                  | 1,032.5 |
| Oddo Asset Management  | International Shares            | 220.7   |
| PIMCO Australia Pty Ltd                                      | Fixed Interest                  | 145.1   |
| QIC Limited  | Cash                            | 87.2    |
| Quest Asset Partners Pty Ltd                                 | Australian Shares               | 521.2   |
| Schroder Investment Management Australia Limited             | Fixed Interest                  | 281.7   |
| State Street Global Advisors, Australia, Limited             | Cash                            | 1,091.8 |
| TCW Asset Management Company                                 | Fixed Interest                  | 519.2   |
| Taube Hodson Stonex Partners LLP                             | International Shares            | 696.6   |
| Tribeca Investment Partners Pty Ltd                          | Australian Shares               | 467.8   |
| Tweedy, Browne Company LLC                                   | International Shares            | 796.7   |
| Vinva Investment Management Limited                          | Australian Shares               | 2,056.0 |
| Wellington International Management Company Pte Ltd          | Fixed Interest                  | 431.0   |

## Customised Rebalancing/Overlay Investment Management Agreements:

QIC Limited manages portfolios for the purposes of rebalancing asset allocation, rebalancing currency and equity protection overlay. Pareto Investment Management Limited manages a portfolio for the purpose of currency overlay.

# Investment managers (as at 30 June 2013)

## Other Investment Managers:

Sunsuper also invests in a number of investment vehicles and listed below are selected managers.

| Manager                        | Asset classes  | \$mil   |
|--------------------------------|--|---------|
| AMP Capital                    | International Shares, Property, Capital Guaranteed                                 | 294.6   |
| Anchorage Capital Group        | Private Capital  | 127.7   |
| Arcadia Funds Management       | Property   | 76.8    |
| BlueCrest Capital              | Hedge Funds  | 118.4   |
| Brevan Howard                  | Hedge Funds  | 154.2   |
| Bridgewater Associates         | Hedge Funds  | 158.4   |
| Caspian Capital                | Hedge Funds  | 91.0    |
| CBRE Global Investors          | Property   | 72.4    |
| Franklin Templeton Investments | Fixed Interest   | 141.6   |
| GMO                            | Hedge Funds  | 90.9    |
| Goodman Australia              | Property   | 236.3   |
| GSO Capital Partners           | Hedge Funds  | 95.4    |
| Hastings Funds Management      | Infrastructure   | 176.9   |
| ICG-Longbow                    | Property   | 71.4    |
| King Street Capital Management | Hedge Funds  | 92.3    |
| LaSalle Investment Management  | Property   | 87.2    |
| Lazard                         | Private Capital  | 186.8   |
| Lone Star Funds                | Property   | 76.3    |
| Macquarie Group                | Private Capital  | 165.4   |
| Makena Capital                 | International Shares, Private Capital, Property, Fixed Interest, Hedge Funds, Cash | 648.1   |
| Manikay Partners               | Hedge Funds  | 143.2   |
| Nephila Capital                | Hedge Funds  | 154.5   |
| Oaktree Capital Management     | Private Capital  | 77.2    |
| OWS Capital Management         | Hedge Funds  | 82.7    |
| Perry Capital                  | Hedge Funds  | 86.6    |
| QIC                            | Property   | 109.4   |
| SSgA                           | Australian Shares, International Shares, Property, Fixed Interest                  | 412.7   |
| Stockbridge Capital Group      | Property   | 116.6   |
| Suncorp Life                   | Capital Guaranteed   | 108.6   |
| Sunsuper                       | Infrastructure, Fixed Interest, Cash   | 1,595.3 |
| Taconic Capital Advisors       | Hedge Funds  | 63.8    |
| The GPT Group                  | Property   | 329.4   |
| Westbourne Capital             | Infrastructure   | 63.5    |
| Winton Capital                 | Hedge Funds  | 84.2    |

## Sunsuper Pooled Superannuation Trust

The Trustee of Sunsuper is also the Trustee and RSE Licensee of the Sunsuper Pooled Superannuation Trust (PST). Some investments of Sunsuper are made via the PST. No other entities invest money in the PST. As at 30 June 2013, the PST's investments were \$3,553m.



# Professional advisers

|                               |  |
|-------------------------------|--|
| <b>Administrator</b>          | Precision Administration Services Pty Ltd*   |
| <b>Custodian</b>              | State Street Australia Limited   |
| <b>Auditor</b>                | Deloitte Touche Tohmatsu   |
| <b>Investment consultants</b> | Aksia LLC<br>Ibbotson Associates Australia Ltd<br>Mercer Investments (Australia) Limited   |
| <b>Lawyers</b>                | Corrs Chambers Westgarth   |
| <b>Insurers</b>               | AIA Australia Limited<br>MetLife Insurance Limited<br>MLC Limited<br>OnePath Life Limited<br>Hannover Life Re of Australasia Ltd |
| <b>Actuaries</b>              | Shane Mather (Fellow of the Institute of Actuaries of Australia)<br>Towers Watson Australia Pty Ltd                              |

\*Precision Administration Services Pty Ltd is wholly owned by the Sunsuper Superannuation Fund.

# Sunsuper's reserves

The trustee maintains a number of reserves in the Fund. From 1 July 2013, the Trustee is required to maintain adequate financial resources to address losses arising from operational risks that may affect its business operations. The operational risk financial requirements (ORFR) is the target amount of financial resources that the Trustee determines is necessary to respond to these losses.

The Trustee has assessed its operational risk requirements and has set an ORFR target amount at 0.25% to 0.30% of Fund assets.

The Trustee may call upon the ORFR to make a payment to address an operational risk that has occurred and caused one or more beneficiaries in the Fund to sustain a loss, or to be deprived of a gain, to which they otherwise would have been entitled, in relation to their benefits in the Fund. Initial funding of the ORFR and future top-up or replenishment will be from the general reserve. The ORFR will be invested in the Balanced option.

The Trustee maintains a general reserve in the Fund for the benefit of members. The general 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 not covered by insurance, or not claimed under insurance policies, and not met from the ORFR,
- support the timing differences between the levels of investment tax and the investment fees incurred and the level of investment tax and investment fees charged to members, and
- support capital investments in assets designed to enhance the efficiency of the Fund's operations.

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

The general 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.

Over the past 5 years Sunsuper's general reserve has been:

| As at 30 June   | 2013  | 2012  | 2011  | 2010  | 2009  |
|-----------------|-------|-------|-------|-------|-------|
| Reserve (\$mil) | 196.2 | 199.3 | 190.1 | 150.8 | 106.9 |

The reserve is included in 'Net assets available to pay benefits' as disclosed in the Statement of Net Assets on page 21 of this report.

As part of the Fund's group life insurance arrangements with the insurers, the Trustee may receive group life insurance rebates. The Trustee uses any group life insurance rebates to help meet insurance offering costs or to fund insurance related enhancements. Any group life insurance rebate which is received and not yet used for these purposes is allocated to an insurance reserve.

Over the past 3 years Sunsuper's insurance reserve has been:

| As at 30 June   | 2013 | 2012 | 2011 |
|-----------------|------|------|------|
| Reserve (\$mil) | 1.1  | 4.8  | 8.0  |

The reserve is included in 'Net assets available to pay benefits' as disclosed in the Statement of Net Assets on page 21 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, 2013 the representatives on the Board were:

| Member representatives      | Appointed by                                 |
|-----------------------------|--|
| John Battams (Deputy Chair) | Qld Council of Unions                        |
| Bill Ludwig <sup>1</sup>    | 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 Heilbronn (Chair)    | Qld Chamber of Commerce and Industry Limited |
| Robert Hutchinson           | Qld Chamber of Commerce and Industry Limited |

<sup>1</sup> Bill Ludwig resigned effective 8 July 2013 and has been replaced by Ben Swan effective 5 August 2013.

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 focusses on the identification, analysis, evaluation, treatment, monitoring and communication of risks. The risk management program is subject to an annual independent audit by Sunsuper's external auditor.

All members of the Investment Committee must be Directors of the Trustee, except for the Investment Expert who can be an external, non-Board member. The current Investment Expert is Justine Hickey. Ms Hickey was appointed to the Investment Committee in May 2013.

## Evaluation of Board and executive officers

The Board has implemented a process for the periodic review and evaluation of its performance and the performance of its committees, individual directors and executive officers.

The CEO, in conjunction with the Board Remuneration and Nominations Committee, is responsible for approving the performance objectives and measures for executive officers, and providing input into the evaluation of performance against these objectives.

Performance evaluations for the 2012-13 financial year have been conducted in accordance with the approved process.

## Remuneration of directors and executive officers

Director remuneration consists of Board and committee fees, superannuation guarantee contributions and the reimbursement of reasonable expenses. The fees reflect the demands on and responsibilities of those directors.

For directors with service before 1 January, 2005, a retiring allowance is payable on resignation or termination from the Board. The retiring allowance is calculated as a multiple of the average of the director's annual fees in the 3 years up to 31 December 2004, adjusted for inflation after that date. The multiple was calculated based on the number of years of service as a director up to 31 December, 2004 and was capped at 10 years of service.

Executive officers remuneration comprises salaries, superannuation guarantee contributions, performance bonuses and the reimbursement of reasonable expenses. The CEO, in conjunction with the Board Remuneration and Nominations Committee, is responsible for determining the remuneration of executive officers. Director and executive officers remuneration is reviewed at least annually. Remuneration levels are benchmarked against independent external sources. The directors and executive officers are paid in accordance with the remuneration policy.

The total remuneration paid to directors and executive officers can be found online at [sunsuper.com.au/remuneration](http://sunsuper.com.au/remuneration)

|                                     | Board meetings | Audit, Compliance and Risk Management Committee | Investment Committee | Remuneration and Nominations Committee | Claims Committee* |
|-------------------------------------|----------------|---|----------------------|--|-------------------|
| Number of meetings held in the year | 10             | 5   | 5                    | 3                                      | 12                |
| Directors                           |                |   |                      |  |                   |
| John Battams                        | 10             | N/A   | 5                    | N/A                                    | 3                 |
| Bill Ludwig                         | 6              | N/A   | 3                    | N/A                                    | 1                 |
| Ron Monaghan <sup>°</sup>           | 10             | 5   | 4                    | 3                                      | 2                 |
| Peter Annand <sup>°</sup>           | 10             | 5   | 5                    | 3                                      | 2                 |
| Graham Heilbronn <sup>°</sup>       | 10             | N/A   | 4                    | 2                                      | 2                 |
| Robert Hutchinson <sup>+</sup>      | 9              | 4   | 5                    | 1                                      | 2                 |

The Board approves a charter for each committee.

\* The Claims Committee comprises one Director sitting in rotation supported by a management advisory committee.

+ Member: Audit, Compliance and Risk Management Committee

° Member: Remuneration and Nominations Committee

Note: Robert Hutchinson is not a member of the Remuneration and Nominations Committee however he attended the August 2012 meeting in place of Graham Heilbronn who was not able to attend.

# Investment options

## Active investment options

Sunsuper has a belief in 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 Investments (Australia) Limited ABN 66 008 612 397, 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. 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.

## Multi-manager approach

Options may be classified as single or multi-manager. Sunsuper prefers to construct options using a multi-manager approach. The exceptions are for our passively managed options where we have selected a single manager, SSgA. Multi-manager 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 movement 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.

Sunsuper has a set strategic currency exposure policy for the investment options and pools designed by Sunsuper which have international exposure. The policy may be modified in the future, with respect to the hedging of currency:

- For the options with international fixed interest investments, Sunsuper aims to fully hedge the currency exposure (that is, the impact of currency fluctuations are virtually eliminated),
- For the options with international shares investments, Sunsuper varies the strategic level of foreign currency hedging. An appropriate hedge is set for each option, taking into account its specific circumstances, asset allocation and risk and return characteristics. Active managers can also vary the level of hedging as a tactical decision to take advantage of expected currency movements.

For other investment options with international exposure, the currency hedging policy is outlined in the relevant investment panel for each option on pages 3 to 12.

## 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?

No, except for the Capital Guaranteed option, the movement in unit prices, the repayment of capital and the performance of any investment option are not guaranteed. Investing in a specific investment option does not give any entitlement to the assets underlying that investment option. For more details on the guarantee for the Capital Guaranteed option, refer to page 12.

## How does Sunsuper use derivatives?

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 investment guidelines.

## Changes to investment return objectives from March 2013

| Investment option | Old investment return objective   | New investment return objective   |
|-------------------|---|---|
| <b>Shares</b>     | <ul style="list-style-type: none"> <li>Beat inflation over 7 to 10 years: <i>Super-savings account</i> and <i>Sunsuper Corporate</i> by 5% p.a. (after investment fees and taxes) and <i>Income account</i> by 5.5% p.a. (after investment fees).<sup>1</sup></li> </ul>  | <ul style="list-style-type: none"> <li>Beat inflation over 10 years: <i>Super-savings account</i> and <i>Sunsuper Corporate</i> by 5% p.a. (after investment fees and taxes) and <i>Income account</i> by 5.5% p.a. (after investment fees).<sup>1</sup></li> </ul>   |
| <b>Growth</b>     | <ul style="list-style-type: none"> <li>Beat inflation over 7 to 10 years: <i>Super-savings account</i> and <i>Sunsuper Corporate</i> by 5% p.a. (after investment fees and taxes) and <i>Income account</i> by 5.5% p.a. (after investment fees).<sup>1</sup></li> </ul>  | <ul style="list-style-type: none"> <li>Beat inflation over 10 years: <i>Super-savings account</i> and <i>Sunsuper Corporate</i> by 5% p.a. (after investment fees and taxes) and <i>Income account</i> by 5.5% p.a. (after investment fees).<sup>1</sup></li> </ul>   |
| <b>Balanced</b>   | <ul style="list-style-type: none"> <li>Outperform the median of similar super funds over 5 to 7 years.</li> <li>Beat inflation over 7 to 10 years: <i>Super-savings account</i> and <i>Sunsuper Corporate</i> by 4% p.a. (after investment fees and taxes) and <i>Income account</i> by 4.5% p.a. (after investment fees).<sup>1</sup></li> </ul> | <ul style="list-style-type: none"> <li>Outperform the median of similar super funds over 5, 7 and 10 years.</li> <li>Beat inflation over 10 years: <i>Super-savings account</i> and <i>Sunsuper Corporate</i> by 4% p.a. (after investment fees and taxes) and <i>Income account</i> by 4.5% p.a. (after investment fees).<sup>1</sup></li> </ul> |
| <b>Retirement</b> | <ul style="list-style-type: none"> <li>Beat inflation over 5 to 7 years: <i>Super-savings account</i> and <i>Sunsuper Corporate</i> by 3.5% p.a. (after investment fees and taxes) and <i>Income account</i> by 4% p.a. (after investment fees).<sup>1</sup></li> </ul>   | <ul style="list-style-type: none"> <li>Beat inflation over 10 years: <i>Super-savings account</i> and <i>Sunsuper Corporate</i> by 3.5% p.a. (after investment fees and taxes) and <i>Income account</i> by 4% p.a. (after investment fees).<sup>1</sup></li> </ul>   |

<sup>1</sup> No investment tax generally applies for *Income accounts* in *Sunsuper for life*.



# 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 the SIS Act.

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, and 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 2012–13 year. Sunsuper as the Trustee is responsible for the collection and the remittance of these amounts to the 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 2 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 for life*.
- 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 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. For details of fees changed by AUSfund, refer to the AUSfund Product Disclosure Statements.

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.

# Compliance cont.

## Dispute resolution

If you are unhappy with our service or super fund, we offer a complaint resolution process at no additional cost to you. Contact us to discuss your complaint:

Customer Service Team: **13 11 84**

Sunsuper Customer Relations Team  
GPO Box 2924  
Brisbane Qld 4001

**[sunsuper.com.au/contactus](http://sunsuper.com.au/contactus)**

We will do everything we can to resolve the issue as quickly as possible. If you are still not happy or SunsUPER has not responded within 90 days, you can contact the Superannuation Complaints Tribunal (SCT). This is an independent dispute resolution body established by the Federal Government to help resolve complaints about superannuation. They may be contacted by writing to:

Superannuation Complaints Tribunal  
Locked Bag 3060  
Melbourne Vic 3001

Phone: 1300 884 114

Web: [www.sct.gov.au](http://www.sct.gov.au)

## 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 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.

For more information on the complaints resolution process refer to **[sunsuper.com.au/complaints](http://sunsuper.com.au/complaints)**

## Temporary residents

Super funds will be issued with a notice by the ATO identifying members 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. For more information visit **[sunsuper.com.au/factsheets](http://sunsuper.com.au/factsheets)**

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 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 \$20 or greater 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 incurred and other revenue the Fund earned,
- the net assets in the Fund available 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 2013 and the net assets as at 30 June 2013. Audited Financial Statements and the Independent Report by the Fund's auditors are available on our website. You can also contact us on **13 11 84** to request a copy to be sent to you.

| STATEMENT OF NET ASSETS<br>as at 30 June    | 2013<br>\$000     | 2012<br>\$000     |
|---|-------------------|-------------------|
| <b>Investments</b>                          |                   |                   |
| Cash and cash equivalents                   | 3,129,964         | 3,213,298         |
| Fixed interest securities                   | 2,997,197         | 2,596,625         |
| Australian equities                         | 5,800,346         | 4,606,124         |
| International equities                      | 5,551,182         | 4,333,502         |
| Property                                    | 1,963,456         | 1,428,056         |
| Alternative assets                          | 4,691,887         | 3,533,013         |
| <b>Total investments</b>                    | <b>24,134,032</b> | <b>19,710,618</b> |
| <b>Other assets</b>                         |                   |                   |
| Cash at bank                                | 38,757            | 35,244            |
| Contributions receivable                    | 173,047           | 180,826           |
| Other financial assets                      | 60,215            | 50,387            |
| Plant and equipment                         | 3,695             | 4,108             |
| Intangible assets                           | -                 | 1,002             |
| Deferred tax asset                          | 59,408            | 181,812           |
| <b>Total other assets</b>                   | <b>335,122</b>    | <b>453,379</b>    |
| <b>Total assets</b>                         | <b>24,469,154</b> | <b>20,163,997</b> |
| <b>Liabilities</b>                          |                   |                   |
| Benefits payable                            | 148,763           | 130,369           |
| Other payables                              | 28,141            | 29,285            |
| Provision for employee benefits             | 2,511             | 2,063             |
| Current tax liabilities                     | 300,481           | 276,076           |
| Deferred tax liabilities                    | 63,114            | 27,033            |
| <b>Total liabilities</b>                    | <b>543,010</b>    | <b>464,826</b>    |
| <b>Net assets available to pay benefits</b> | <b>23,926,144</b> | <b>19,699,171</b> |

| STATEMENT OF<br>CHANGES IN NET ASSETS<br>for the year ended 30 June      | 2013<br>\$000     | 2012<br>\$000     |
|--|-------------------|-------------------|
| <b>Revenue from ordinary activities</b>                                  |                   |                   |
| <b>Net investment revenue</b>  |                   |                   |
| Interest   | 207,459           | 202,595           |
| Dividends and distributions  | 542,589           | 548,164           |
| Rental and other investment income                                       | 68,541            | 56,307            |
| Changes in net market value of investments                               | 2,418,197         | (776,080)         |
| Less: Direct investment expenses   | (62,763)          | (61,938)          |
|  | <b>3,174,023</b>  | <b>(30,952)</b>   |
| <b>Contribution revenue</b>  |                   |                   |
| Employer contributions   | 2,282,404         | 2,210,927         |
| Member contributions   | 232,158           | 214,862           |
| Transfers from other funds   | 725,317           | 624,500           |
|  | <b>3,239,879</b>  | <b>3,050,289</b>  |
| <b>Other revenue</b>   |                   |                   |
| Group life insurance rebate  | 8,400             | 8,245             |
| Group life insurance proceeds  | 166,786           | 164,141           |
| Other income   | 218               | 616               |
|  | <b>175,404</b>    | <b>173,002</b>    |
| <b>Total revenue from ordinary activities</b>                            | <b>6,589,306</b>  | <b>3,192,339</b>  |
| <b>Expenditure from ordinary activities</b>                              |                   |                   |
| <b>Direct member expenses</b>  |                   |                   |
| Group life insurance premiums  | 188,353           | 181,320           |
| Other member and sub-plan specific expenses                              | 291               | 186               |
|  | <b>188,644</b>    | <b>181,506</b>    |
| <b>Indirect member expenses charged to general reserve</b>               |                   |                   |
| Fund administration expense  | 116,898           | 107,787           |
| Depreciation expense   | 846               | 967               |
| Amortisation expense   | 1,002             | 1,062             |
| Anti-detriment payments  | 2,646             | 2,826             |
|  | <b>121,392</b>    | <b>112,642</b>    |
| <b>Benefits paid and payable</b>   | <b>1,590,939</b>  | <b>1,327,464</b>  |
| <b>Total expenditure from ordinary activities</b>                        | <b>1,900,975</b>  | <b>1,621,612</b>  |
| <b>Total revenue less expenditure before income tax</b>                  | <b>4,688,331</b>  | <b>1,570,727</b>  |
| <b>Income tax expense</b>  | <b>461,358</b>    | <b>250,135</b>    |
| <b>Total revenue less expenditure after income tax</b>                   | <b>4,226,973</b>  | <b>1,320,592</b>  |
| <b>Net assets available to pay benefits at the beginning of the year</b> | <b>19,699,171</b> | <b>18,378,579</b> |
| <b>Net assets available to pay benefits at the end of the year</b>       | <b>23,926,144</b> | <b>19,699,171</b> |



## Contacting us is easy:

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



Sunsuper Pty Ltd      Sunsuper Superannuation Fund  
 ABN 88 010 720 840    ABN 98 503 137 921  
 AFSL No.228975      SPIN SSR 0100 AU

Sunsuper has been awarded Fund of the Year for a second year in a row by organisations SuperRatings and Money magazine. We have also been awarded Chant West's Best Fund: Insurance and Best Fund: Member Services for 2013. For ratings agency information refer to [sunsuper.com.au/ratingsagencies](http://sunsuper.com.au/ratingsagencies)



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



This document has been prepared on 11 September 2013 and issued by Sunsuper Pty Ltd (ABN 88 010 720 840), Trustee of the Sunsuper Superannuation Fund. While it has been prepared with all reasonable care, no responsibility or liability is accepted for any errors or omissions or misstatement however caused. All forecasts and estimates are based on certain assumptions which may change. If those assumptions change, our forecasts and estimates may also change. This document has been prepared for general information purposes only and not as specific advice to any particular person. Any advice contained in this document is general advice and does not take into account any particular person's objectives, financial situation or needs. Because of this, before acting on any advice, you should consider its appropriateness, having regard to your own particular objectives, financial situation and needs. You should obtain and consider the Product Disclosure Statement (PDS) before making any decision about whether to acquire or continue to hold the product. The PDS is available by contacting a Member Service Representative on 13 11 84. We are committed to respecting your privacy. Our formal privacy policy sets out how we do this. If you would like a copy of Sunsuper's privacy policy please contact us.