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ANNUAL REPORT 2001-2002



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The cover illustration shows the relative performance of the major asset classes in 2001/2002. The following table shows the returns from the various asset classes in the past five years.

A long term perspective is a fundamental aspect of investing. Analysing events in the short term distorts the picture. As the table shows, there is no sense in backing last years top performing asset class!

Asset Sector Returns ~ 1 Year to 30 June (%)					
Sector	'98	'99	'00	'01	'02
Australian Shares	1.6	15.3	15.5	9.1	-4.7
International Shares	42.2	8.2	23.8	-6.0	-23.5
Listed Property	10.0	4.3	11.9	13.9	14.9
Australian Bonds	10.9	3.3	6.2	7.4	6.2
International Bonds	28.2	-3.1	13.3	15.2	2.9
Cash	5.1	5.0	5.6	6.1	4.7

SUPER TIPS

- Consider making voluntary contributions – look at the benefits of compound interest!
- Review your death & TPD insurance cover.
- Consider Salary Protection Insurance.
- Make sure that you have nominated a beneficiary.
- Make a will and keep it up-to-date.
- Review your investment choice option.
- Consider making an Enduring Power of Attorney.

CHAIRMAN'S REMARKS

Dear Member

On behalf of the Board of Trustees, I present the report on the Fund's performance and activities in the 2001/2002 year.

Fund membership grew from some 24,000 to almost 27,000. At the same time assets continued to grow and now total \$252.5 million.

With the volatility in share markets throughout the world following September 11, your trustees reviewed the Fund's Investment Policy and Strategy at that time and again at the March and July board meetings.

We continue to hold the view that the strategy, which is designed to generate wealth for members over the long term, is in the best interests of members. Consequently, the Trustee Super Balanced investment option has a higher proportion of growth assets compared with other balanced funds.

Over the year, the mandates of five investment managers were terminated and four investment managers were given new investment mandates. The Board continues to carefully monitor the performance of all investment managers and we receive monthly and quarterly reports from InTech, our asset consultant.

During the year the Board requested proposals to administer the Fund. After an extensive assessment process, Mercer Human Resource Consulting was reappointed for a further three years.

I am pleased to report that members continue to take advantage of the protection offered to them and their families through the



Fund's group life and salary protection insurance products as well as the very competitively priced mortgage finance available through Super Members' Home Loans.

The Board unitised the Fund's assets on 1 May 2002. Subsequently, weekly unit prices are struck that reflect the value of the underlying assets in each investment option. Unitisation has added a further discipline to the Fund's administration and allows for

a more equitable treatment of all members.

During the year Jill Macfarlane tendered her resignation as a trustee for personal reasons. Jill was a most diligent member of the board and I thank her on your behalf for the outstanding effort and time she devoted to her trustee's duties.

Her resignation necessitated an election, which saw Helen Cunningham, a principal of LJ Hooker Epping elected. Helen is a licensed real estate agent and her business knowledge will be a further asset to the board.

I thank all trustees and the executive officer for their performance and dedication in what has been a difficult year.

Yours faithfully

P W Woolcock ~ Chairman

HIGHLIGHTS OF THE YEAR 2001/2002

- Assets, individual and employer members all increased in 2001/2002
- The Fund's assets were unitised on 1 May 2002
- Weekly unit prices are struck each Wednesday
- Helen Cunningham replaced Jill Macfarlane on the board
- A Compliance and Audit Committee was established to enhance corporate governance

- Members' access to the Fund's website steadily increased
- 89 members of the Fund have obtained \$12.3 million in mortgage finance from Super Members' Home Loans

LOOKING AHEAD TO 2002/2003




- The board will:
- Examine ways of providing financial planning advice to members
 - Implement changes to Fund membership required by the Family Law Act and the splitting of superannuation on divorce
 - Apply for an Australian Financial Services Licence
 - Enhance the website

- Review the appointment of the auditor
- Review allocated pension arrangements
- Consider alternative investment opportunities
- Assist employers with the move to quarterly superannuation guarantee payments from 1 July 2003

WHAT YOU MUST KNOW

INVESTMENT OBJECTIVES

Trustees review progress against investment objectives at each board meeting. The objectives for the three investment options follow.

 Super Growth	 Trustee Super Balanced	 Super Cash																																																												
<p>Primary Objective:</p> <ul style="list-style-type: none"> to provide members with a top performing equities investment. <p>Investment Objectives:</p> <ul style="list-style-type: none"> to earn a rate of return, after tax and fees, that exceeds CPI by at least 5% per annum over the average time expected to be spent by members in the workforce. In achieving the performance target above, to credit a positive return to members' accounts in at least 3 in every 4 years. <p>Peer Group Objectives:</p> <ul style="list-style-type: none"> to earn a rate of return that exceeds the median of the InTech High Growth Investor Choice Survey (75-100% growth assets), measured over rolling 3 year periods. In achieving the performance target above, the tracking error* relative to the median return of the InTech High Growth Investor Choice Survey (75-100% growth assets) is not to exceed 2% per annum, measured over rolling periods of 3 years and longer. <p>Investment Strategy:</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>Target Allocation</th> <th>Min/Max Range (%)</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>44</td> <td>42 - 46</td> </tr> <tr> <td>International Shares</td> <td>54</td> <td>52 - 56</td> </tr> <tr> <td>Cash</td> <td>2</td> <td>1 - 4</td> </tr> <tr> <td>Total</td> <td>100</td> <td>n/a</td> </tr> <tr> <td>Total Growth</td> <td>98</td> <td>96 - 99</td> </tr> <tr> <td>Total unhedged international</td> <td>35</td> <td>33 - 37</td> </tr> </tbody> </table>	Asset Class	Target Allocation	Min/Max Range (%)	Australian Shares	44	42 - 46	International Shares	54	52 - 56	Cash	2	1 - 4	Total	100	n/a	Total Growth	98	96 - 99	Total unhedged international	35	33 - 37	<p>Primary Objective:</p> <ul style="list-style-type: none"> to provide members with a top performing growth-oriented investment. <p>Investment Objectives:</p> <ul style="list-style-type: none"> to earn a rate of return, after tax and fees, that exceeds CPI by at least 4% per annum over the average time expected to be spent by members in the workforce. In achieving the performance target above, to credit a positive return to members' accounts in at least 4 in every 5 years. <p>Peer Group Objectives:</p> <ul style="list-style-type: none"> to earn a rate of return that exceeds the median of the InTech Growth Investor Choice Survey (60-75% growth assets), measured over rolling 3 year periods. In achieving the performance target above, the tracking error relative to the median return of the InTech Growth Investor Choice Survey (75-100% growth assets) is not to exceed 1% per annum, measured over rolling periods of 3 years and longer. <p>Investment Strategy:</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>Target Allocation</th> <th>Min/Max Range (%)</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>35</td> <td>33 - 37</td> </tr> <tr> <td>International Shares</td> <td>29</td> <td>27 - 31</td> </tr> <tr> <td>Listed Property</td> <td>8</td> <td>6 - 10</td> </tr> <tr> <td>Australian Bonds</td> <td>12</td> <td>10 - 14</td> </tr> <tr> <td>International Bonds - hedged</td> <td>12</td> <td>10 - 14</td> </tr> <tr> <td>Cash</td> <td>4</td> <td>3 - 6</td> </tr> <tr> <td>Total</td> <td>100</td> <td>n/a</td> </tr> <tr> <td>Total Growth</td> <td>72</td> <td>69 - 75</td> </tr> <tr> <td>Total unhedged international</td> <td>21</td> <td>19 - 23</td> </tr> </tbody> </table>	Asset Class	Target Allocation	Min/Max Range (%)	Australian Shares	35	33 - 37	International Shares	29	27 - 31	Listed Property	8	6 - 10	Australian Bonds	12	10 - 14	International Bonds - hedged	12	10 - 14	Cash	4	3 - 6	Total	100	n/a	Total Growth	72	69 - 75	Total unhedged international	21	19 - 23	<p>Primary Objective:</p> <ul style="list-style-type: none"> to provide members with a secure investment that has a very high chance of capital being preserved over any 12 month period, after fees and tax. <p>Investment Objectives:</p> <ul style="list-style-type: none"> to earn a rate of return, after tax and fees, of at least CPI over rolling 1 year periods. In achieving the performance target above, to incur a negligible probability of crediting a negative return to members' accounts in any one year. <p>Investment Strategy:</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>Target Allocation</th> <th>Min/Max Range (%)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>82</td> <td>80 - 84</td> </tr> <tr> <td>Australian Bonds</td> <td>18</td> <td>16 - 20</td> </tr> </tbody> </table>	Asset Class	Target Allocation	Min/Max Range (%)	Cash	82	80 - 84	Australian Bonds	18	16 - 20
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Note: From time to time, there may be minor changes in Target Allocation and Fund Managers used.

* Tracking Error

Tracking error is the degree to which a portfolio's returns follow or 'track' the returns of a chosen benchmark over a period of time. In this case, the benchmark is based on peer group funds (the InTech High Growth Investor Choice Survey) with similar investment objectives.

Adopting positions different to the median of the peer group causes tracking error. As such, it is a measure of the potential to out-perform or under-perform the peer group. For example, a tracking error of 1% pa implies that over annual periods the Fund would be expected to under-perform the peer group by more than:

- 1% - approximately 17% of the time
- 2% - approximately 3% of the time

Over the long term, the Fund is expected to out-perform the peer group.

WHAT YOU MUST KNOW



WHAT YOU MUST KNOW

- NET ASSETS
- MEMBERSHIP
- FEES
- ADMINISTRATION FEES AND CHARGES
- BENEFITS PAID
- VOLUNTARY CONTRIBUTIONS
- INSURANCE
- LOW COST HOME LOANS
- LOW COST BUSINESS LOANS
- TOTAL & PERMANENT DISABLEMENT (TPD)
- SALARY PROTECTION INSURANCE (SPI)

NET ASSETS Net assets stood at \$252.5 million at 30 June, up 8.6 per cent. The return on the Fund's assets for the year is negative 13.3 per cent (Super Growth), negative 4.9 per cent (Trustee Super Balanced) and 3.7 per cent (Super Cash).

MEMBERSHIP

Employee Members	Employer Members
1 July 2001 ~ 24 359	1 July 2001 ~ 3 170
30 June 2002 ~ 26 490	30 June 2002 ~ 3 280

MEMBERSHIP OF THE FUND INCREASED STEADILY DURING 2001/02.

Membership by State and Territory as at 30 June 2002 was as follows:

	Number	%
New South Wales	9636	36.4
Victoria	10288	38.8
Queensland	2605	9.8
Western Australia	2381	9.0
South Australia	357	1.4
Tasmania	606	2.3
ACT	351	1.3
Northern Territory	266	1.0
Total	26 490	100

Almost 60 per cent of the members of the Fund are female.

FEES

Fees and Charges	All Members
Administration Fee	\$1.10 per week
Funds Transferred into Rei Super	NIL
Voluntary Contributions Fee	NIL
Benefit Processing Fee (if applicable)	\$40

ADMINISTRATION FEES AND CHARGES The above administration fees and charges are levied by the Fund and deducted from members' benefits and their account balances. Insurance costs are allocated to each member seeking such cover and are deducted from the member's account.



ADMINISTRATION COMMITTEE The Administration Committee has been formed to assist the Board of Rei Super to monitor the performance of service providers, to recommend the appointment of service providers and to monitor and respond to complaints.

BENEFITS PAID

Type	2001-2002		2000-2001	
	No.	\$(000)	No.	\$(000)
Death (incl. Insurance)	19	640	25	513
TPD (incl. Insurance)	12	461	9	448
Retrenchment & Resignation	4216	13 691	8 828	15 640
Retirement	611	7 408	672	6 936
Total	4 858	22 200	9 534	23 537

VOLUNTARY CONTRIBUTIONS Members can significantly increase their retirement benefits by making early voluntary contributions to the Fund. The Fund has been specifically designed to allow members flexibility in the amounts and frequency they choose to contribute voluntarily. There are no additional charges for making voluntary contributions.

WHAT YOU MUST KNOW

INSURANCE All new members must accept one unit of insurance cover unless they can show that they have a similar level of cover in place. Under The Fund's group life policy, new members are automatically accepted for this cover without a medical declaration or examination. Up to two units of cover are available on joining the Fund without medical evidence.

A significant increase in the level of cover available commenced on 1 October 1998. Up to 10 units of cover are available, subject to medical clearance for cover in excess of two units on joining the Fund. Members may request an increase in their level of cover but acceptance depends on our insurer accepting the medical evidence provided. Each unit of cover costs \$1 per week. Details of insurance options can be obtained from the Administrator.

While on Leave Without Pay/Maternity Leave, members' cover continues for up to 12 months provided that the member's account balance exceeds the applicable premium to be deducted.

On termination of employment, Hannover Life Re of Australasia, our insurer, provides death and TPD cover for 90 days. If the member remains in the Fund after this time, they automatically receive one unit of death-only cover at a cost of \$0.75 per week. The level of cover depends on age. A schedule of the level of cover at different ages is available on the website www.reisuper.com.au

LOW COST HOME LOANS The Trustee has invested \$1 million in the Super Members' Home Loans program. This investment currently returns around five per cent. Importantly, it allows Fund members access to very competitive variable and fixed rate housing and residential investment property finance.

There are no establishment fees and the lending criteria matches that of the major banks. If members qualify, they can refinance their existing loan.

Rei Super is one of over 100 superannuation funds participating in the program that is administered by Members Equity.

Call 1300 654 990 for more information or visit the website www.membersequity.com.au

LOW COST BUSINESS LOANS The Trustee has invested \$1 million in Super Business Loans. Super Business Loans provide very competitive finance for all business needs including vehicle leasing.

Call 1800 500 680 for more information or visit the website www.membersequity.com.au

SALARY PROTECTION INSURANCE (SPI) The Fund offers SPI to protect a member's income in the case of an accident and/or illness.

Members can insure up to 75 per cent of their salary. Salary includes commissions, retainers and bonuses.

Each unit of cover provides \$100/week and costs \$13 a year. If 75 per cent of your annual salary is, say, \$52 000, then to provide cover for \$1 000/week would cost \$130/year.

If members earn in excess of \$50 000 per year, they should seriously consider using their superannuation account to pay for their SPI.

For a brochure on SPI, call the Fund's administrator on 1300 13 44 33. The brochure is also available on the website at www.reisuper.com.au

TOTAL & PERMANENT DISABLEMENT (TPD) Members who work full-time receive protection for total and permanent disablement. The policy offered through Hannover Life Re of Australasia Limited provides a good deal for Fund members.

This cover provides protection for both members and their families. The cover is 24 hours a day, 7 days a week. The protection applies even when the member is not at work.

The rules for making a claim are strict and eligibility for a benefit is governed by the definition of Total and Permanent Disablement. The definition of TPD is:

- suffering the loss of two limbs or the sight of both eyes or the loss of one limb and the sight of one eye (where limb is defined as the whole hand or the whole foot); or
- having been absent from employment through injury or illness for six consecutive months and having provided proof to the satisfaction of the Insurer that the Member has become incapacitated to such an extent as to render the Member unlikely ever to engage in or work for reward in any occupation or work for which the Member is reasonably qualified by education, training or experience.

Clause (b) is the definition of TPD that most members rely on when they submit a claim. To be successful, the claimant must be so seriously injured or disabled that they can NEVER work again in a job that they are REASONABLY QUALIFIED to do.

Unfortunately, in some instances, members have the misconception that they may be eligible for TPD benefit if they cannot find a job. This is not the purpose of the TPD cover provided.

If a member indicates on their benefit payment request form

WHAT YOU SHOULD KNOW



WHAT YOU SHOULD KNOW

- TRUSTEE
- TRUSTEE DEED
- TRUSTEE RESPONSIBILITIES
- ACCOUNT BALANCES
- CONTRIBUTIONS
- EMPLOYERS
- SURCHARGE
- GOVERNMENT IMPOSED TAXES AND CHARGES
- MEMBER PROTECTION
- INVESTMENT MANAGERS
- IMPLEMENTED CONSULTING
- MONITORING INVESTMENT PERFORMANCE
- PURPOSE
- TYPE OF FUND
- MEMBERSHIP CATEGORIES
- CONTRIBUTIONS
- BENEFITS
- PORTABILITY
- UNITISATION
- GOODS AND SERVICES TAX (GST)
- TRUST INDEMNITY INSURANCE

TRUSTEE

The chairman, directors and officer at 30 June 2002 were:

Independent Chairman (non-voting) ~ Bill Woolcock

Directors ~ Ian Armstrong ~ David Cameron ~ Helen Cunningham

~ John Greig ~ Michael Kumm ~ Norm Meadows ~ Neville Pozzi

~ Ken Seanson (Independent) ~ Beth Stratfold

Officer ~ Fund Secretary and Public Officer ~ Phil Roberts.

The Trustee of the Fund and registered office is:

Rei Superannuation Fund Pty Limited (ABN 68 056 044 770)

Level 11, St George Centre, 60 Marcus Clarke Street

CANBERRA ACT 2600

that they left employment because of disablement and they have insurance cover, the appropriate forms will be sent to them for completion. In collecting information on a member's disablement, the insurer may require a specialist medical report. The insurer pays for this report. The insurer assesses the claim and either accepts it or denies liability. If the insurer denies liability, the Trustee reviews the insurer's decision and makes a final determination.



DEATH AND DISABLEMENT CLAIMS COMMITTEE *The Death and Disablement Claims Committee has been formed to assist the board by handling death and TPD claims out-of-session.*



COMPLIANCE AND AUDIT COMMITTEE *The objectives of the Committee are to ensure the internal control framework meets the needs of Rei Super through overseeing the compliance and audit functions, to assure the objectivity and reliability of financial reports, and to assist the board in understanding its obligations at law and ensuring that Rei Super is compliant with all legislative and other government obligations.*

WHAT YOU SHOULD KNOW

TRUST DEED The Trust Deed was amended during the year. The amendments provide a right to directors to request access to any document after he or she ceases to hold office as a director, provided that the director was entitled to have access to that document while in office and allows for the establishment and maintenance of a superannuation account for a non-member spouse.

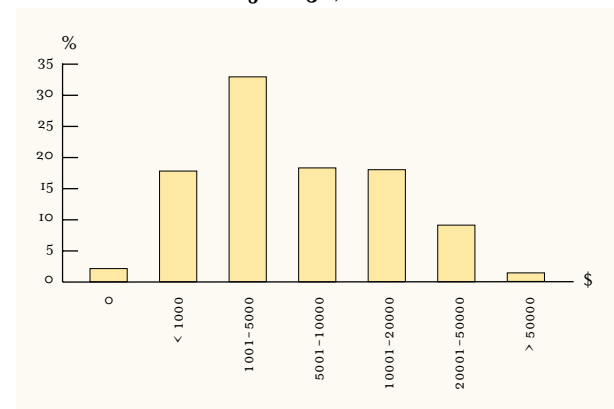
As a member, you are entitled to inspect or obtain a copy of the Trust Deed. A reasonable photocopying and handling charge applies for a copy of the Deed. If you wish to inspect or obtain a copy of the Deed, contact:

The Fund Administrator
Rei Super
Locked Bag 479
ADELAIDE SA 5001

TRUSTEE RESPONSIBILITIES The responsibility of trustees and their workload continues to grow. During 2001/2002, elected trustees were paid directors' fees of \$1 917 per month, the independent trustee \$2 666 per month and the Chairman, \$3 458 per month. All directors attended all board meetings during the year with the exception of John Greig who was unable to attend the December 2001 meeting and Jill Macfarlane who was unable to attend the December 2001 and March 2002 meetings.

ACCOUNT BALANCES The value of a member's account as advised in the annual Statement of Benefits is established on the day that the last weekly unit price is struck for the financial year. If a member leaves the Fund during the year the value of the benefit payment is based on the next unit price struck.

Account Balances as at June 30, 2002



CONTRIBUTIONS The Fund is the industry fund for the property sector. It receives both employer and employee contributions. Employers should base their contributions on their payroll records and should make at least the minimum contribution required by the Superannuation Guarantee, 8 per cent for the 2001/2002 financial year, rising to 9 per cent in 2002/2003, or the applicable award or enterprise agreement. Contributions paid to the Fund are accounted for on an accrual basis in the Fund's financial statements. When benefits are reviewed annually on 1 July, contributions are accounted for on a cash basis.

EMPLOYERS During the year there was a further increase in the number of employers who made monthly contributions for their employees. As monthly contribution returns are sent to each employer, the Fund encourages monthly remittance of contributions. The Australian Tax Office continued its program of Superannuation Guarantee audits during the year. Employers should be aware that the ATO has no discretion should an employer not comply with the Act. All employers should keep a copy of their contribution returns. Employers are required to comply with the Trust Deed. In 2001/2002, 761 employers had their Fund membership cancelled because they ceased trading.

SURCHARGE In August 1996, the Federal Government introduced a surcharge (tax) on superannuation contributions for members with an adjusted taxable income of more than \$70 000 or who have superannuation contributions of \$2 000 or more per year and for whom the Fund does not have a tax file number.

For 2001/2002, the surcharge commences at an adjusted taxable income of \$85 242 at 0% and increases to 15% for an adjusted taxable income of \$103 507 or more. The surcharge tax paid by Fund members in 2001/2002 was \$971 587. In addition to taxes, the Fund is required to pay a fee to the Australian Prudential Regulation Authority. The fee for 2001/2002 was \$66 000.

GOVERNMENT IMPOSED TAXES AND CHARGES The Federal Government imposes the most significant taxes and charges levied on the Fund. Employer contributions on behalf of employees and before-tax contributions by employees are taxed at 15 per cent. Earnings on investments are also taxed at 15 per cent and capital gains tax depends on the asset and the length of time it is owned.

Income tax for 2001/2002 is \$9 678 390.

WHAT YOU SHOULD KNOW

MEMBER PROTECTION From 1 July 1995, the Fund has protected members' account balances of less than \$1 000.00. This means that the account balance of the 'protected member' will not be reduced by administration charges. Where applicable, other charges such as the federal government's contributions tax, surcharge tax and insurance premiums will continue to be deducted.

INVESTMENT MANAGERS In the management of investment portfolios, it is acknowledged that the investment managers may use financial derivatives (eg. futures, options, forward purchase of currency, etc).

They may do this provided that the overall exposure to each asset sector is within the investment guidelines and provided that the portfolio is not geared (that is, derivatives must not be used as a substitute for borrowing or for speculation).

In relation to the investment objectives and strategy, the Trustee considered the following:

- the risk involved in making and holding investments and the likely return for the Fund's investment having regard to the Trustee's objective and the Fund's cash-flow requirements;
- the composition of the Fund's investments as a whole, including the extent to which the investments are diverse or expose the Fund to risk from inadequate diversification;
- the liquidity of the Fund's investment having regard to the Fund's cash-flow requirements; and
- the ability of the Fund to discharge existing and prospective liabilities.

IMPLEMENTED CONSULTING After extensive research and interviews, Rei Super appointed InTech to provide implemented asset consulting services from 1 July 2000. Rei Super uses InTech's Managed Asset Consulting Service (MACS) for almost all of its investments. InTech has been delegated full responsibility and is held accountable for selecting and monitoring asset managers, implementing investment decisions and managing the day-to-day cash flow, asset allocation and other ongoing investment administration matters.

Rei Super retains full control over the type and number of investment options offered, the primary objective, investment objectives and peer group objectives for each investment option, the strategic asset allocation and ranges for the asset classes in each investment option.

In essence, Rei Super with the assistance of InTech has set the investment objectives and investment strategies and has

delegated investment implementation in MACS Trusts in accordance with those objectives and strategies.

At each Trustee board meeting the directors review the performance of the Fund against the investment objective, benchmarks and strategy in light of the comprehensive analysis provided.

From time to time trustee directors attend investment briefings by fund managers and InTech.

MONITORING INVESTMENT PERFORMANCE During the year, the Fund received investment advice from Paul Ireland and Andrew Korbel, Senior Consultants, InTech. InTech also provides a quarterly investment report for the Trustee.

InTech staff provide investment management performance details and Mercer provide administration information for the monthly report that is compiled and circulated to the trustees from the Secretariat.

PURPOSE Rei Super is designed for people who work in the property sector. The Fund provides its members with benefits on retirement and, for members' dependants, additional benefits in the event of death or total and permanent disablement. The Fund provides for:

- increased benefits to members through voluntary contributions;
- maintenance of accumulated benefits in the Fund without penalty after a member transfers employment within the industry;
- additional benefits for dependants in the event of a member's death;
- additional benefits for the member and dependants in the event of a member's total and permanent disablement; and
- salary protection insurance in the event of an accident or ill-health.

TYPE OF FUND The Fund is an accumulation fund where contributions made by, or on behalf of a member, are accumulated in the member's name. Contributions are held in one account in the form of units less administration costs, taxation and insurance costs where applicable.

WHAT YOU SHOULD KNOW

MEMBERSHIP CATEGORIES

- **Category 1** ~ Non award staff on a sliding vesting scale with voluntary employer superannuation arrangements and/or Superannuation Guarantee.
- **Category 1a** ~ Members who are self-employed. (This section of the Fund is closed to new members.)
- **Category 2** ~ Employee members who are either covered by an Award and/or Superannuation Guarantee (including directors of a company) and are 100% vested.

CONTRIBUTIONS The Fund accepts:

- superannuation guarantee contributions;
- occupational superannuation contributions required under an Award or prescribed agreement or arrangement;
- voluntary contributions by an employer over and above the levels prescribed under Superannuation Guarantee and/or an Award or prescribed agreement or arrangement;
- voluntary member contributions;
- contributions from existing Category 1a members; and
- contributions on behalf of low income spouses of members.

BENEFITS Benefits payable to members will represent the total of all accounts held by the Fund in each member's name that are vested in the member. In the event of death or total and permanent disablement or an accident, additional benefits may be payable if the member is insured.

PORTABILITY The Fund has been specifically designed with portability in mind. Members can retain their membership, and therefore their benefits in the Fund, whilst transferring between employers who are members of the Fund. For a period of up to 2 years after leaving employment, the Fund can accept voluntary contributions from a member. There are no charges for changing employment and retaining membership in the Fund. If members have a benefit from another fund they can transfer (roll-over) that benefit into Rei Super. There are no charges for having superannuation benefits rolled into the Fund. Members can also transfer their benefits to another fund when they change employer.

UNITISATION Since 1 May 2002, the assets of the Fund have been unitized. Each week, a unit price is struck for each investment option. The unit price reflects the redemption value of the underlying assets. Consequently unit prices move up and down in line with asset values.

Contributions received are used to purchase units in the applicable investment option. A buy/sell spread has been established for each investment option; 0.6 per cent for Super Growth, 0.4 per cent for Trustee Super Balanced and 0.2 per cent for Super Cash. The buy/sell spread simply reflects the cost of purchasing and disposing assets.

GOODS AND SERVICES TAX (GST)

Rei Super has registered for GST and has an Australian Business Number (ABN) 76 641 658 449.

Rei Super pays GST on the goods and services it purchases. Some of these goods and services are eligible for a reduced input tax credit (RITC).

TRUSTEE INDEMNITY INSURANCE The Trustee has arranged a policy for Trustee Indemnity Insurance cover of \$10 million. This policy is designed to provide added protection for the Fund's assets.



MARKETING COMMITTEE The Marketing Committee has been formed to assist the board of Rei Super in promoting the benefits of the Fund to members and potential members. The Marketing Committee develops the Fund's Marketing Plan.



Rei Super supports the industry. The portable display stand (above) forms part of most exhibitions arranged in conjunction with industry conferences.

WHAT YOU SHOULD KNOW

ABRIDGED FINANCIAL STATEMENTS REI SUPER AS AT 30 JUNE 2002

Abridged Statement of Financial Position as at 30 June 2002

	2002	2001
	\$ ('000)	\$ ('000)
Assets		
Investments	246 000	228 388
Cash at bank	5 352	6 408
Sundry debtors	6 801	6 042
Total Assets	258 159	240 838
Less Liabilities		
Benefits payable	591	962
Sundry creditors	746	499
Provision for income tax	3 869	6 531
Provision for deferred income tax	483	401
Total Liabilities	5 689	8 393
Net Assets Available to Pay Benefits	252 470	232 445
Represented by:		
Liability for Accrued Benefits		
Allocated to Members' Accounts	244 296	224 365
Unallocated Amounts	8 174	8 080
Liability for Accrued Benefits as at 30 June	252 470	232 445

Abridged Operating Statement for the year ended 30 June 2002

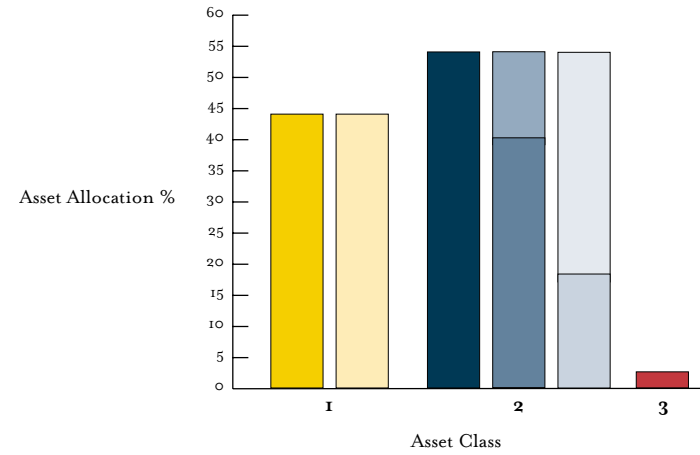
	2002	2001
	\$ ('000)	\$ ('000)
Revenue		
Net investment revenue	(17 981)	8 916
Contributions revenue	64 032	54 657
Transfers from other funds	10 660	10 357
Proceeds from group life claims	727	735
Other income	571	
Total Revenue	58 009	74 665
Less Expenditure		
Surcharge	972	927
Group life premiums	1 016	889
Administration fees	875	905
Other general administration expenses	1 142	1 110
Total Expenditure	4 005	2 904
Benefits Accrued as a result of Operations before Income Tax	54 004	70 835
Income Tax Expenses	9 678	8 439
Benefits Accrued as a Result of Operations	44 326	62 396

The Financial Statements of the Fund have been audited and an unqualified auditor's report has been received.

WHAT YOU SHOULD KNOW

SUPER GROWTH INVESTMENT OPTION

Total Investments - \$36.063 million



1. AUSTRALIAN SHARES

Asset Allocation 44%
Active 100%

Investment Managers

AMP, Credit Suisse, Maple-Brown Abbott, UBS

2. INTERNATIONAL SHARES

Asset Allocation 54%
Active 75%
Passive 25%
Hedged 35%
Unhedged 65%

Investment Managers

ABN Amro, Bank of Ireland, Capital, Fidelity, Wellington, SSgA

3. CASH

Asset Allocation 2%

Investment Manager

Invesco

Performance of the Fund over the past five years

Investment Option:	Trustee Super Balanced			Super Growth			Super Cash			
	CR	CPI	RR	CR	CPI	RR	CR	CPI	RR	
Year	Earnings\$									
1997-98	7 352 880	8.5	0.7	7.8						
1998-99	9 613 785	8.4	1.1	7.3	9.5	1.1	8.4	4.5	1.1	3.4
1999-00	21 122 457	9.7	3.2	6.5	13.1	3.2	9.9	4.6	3.2	1.4
2000-01	8 915 844	4.0	6.0*	-2.0	1.5	6.0*	-4.5	4.0	6.0*	-2.0
2001-02	17 981 489	-4.9	2.8	-7.7	-13.3	2.8	-16.1	3.7	2.8	0.9
Five Year Compound Average	5.2%									

CR – Crediting Rate CPI – Consumer Price Index RR – Real Return

* Includes Once Only GST Impact

WHAT YOU SHOULD KNOW

TRUSTEE SUPER BALANCED INVESTMENT OPTION

Total Investments - \$202 224 million



1. AUSTRALIAN SHARES

Asset Allocation 35%
Active 80%
Passive 20%

Investment Managers

AMP, Credit Suisse, Maple-Brown Abbott, SSgA, UBS

2. INTERNATIONAL SHARES

Asset Allocation 29%
Active 60%
Passive 40%
Hedged 28%
Unhedged 72%

Investment Managers

ABN Amro, Bank of Ireland, Capital, Fidelity, Wellington, SSgA

3. LISTED PROPERTY

Asset Allocation 29%

Investment Managers

Deutsche-Sentinel, SG Hiscock

4. AUSTRALIAN BONDS

Asset Allocation 12%
Active 100%

Investment Managers

Invesco, Citigroup, UBS

5. INTERNATIONAL BONDS

Asset Allocation 12%
Passive 100%
Hedged 100%

Investment Manager

SSgA

6. MEMBERS EQUITY

Asset Allocation 1%

Investment Manager

IFBT

7. CASH

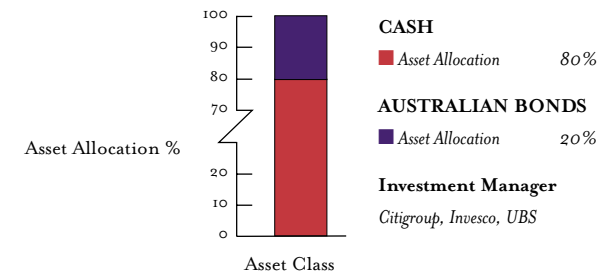
Asset Allocation 3%

Investment Manager

Invesco

SUPER CASH INVESTMENT OPTION

Total Investments - \$5.356 million



Asset Allocation 80%

Asset Allocation 20%

Investment Manager

Citigroup, Invesco, UBS

Asset Class

WHAT WE HAVE TO TELL YOU



WHAT WE HAVE TO TELL YOU

- FUND ADMINISTRATION
- SUPERANNUATION SECRETARIAT SERVICES
- COMPLYING FUND
- REGULATED FUND
- ELIGIBLE ROLL-OVER FUND (ERF)
- MANAGING YOUR FUND
- PRESERVATION
- COMPLAINTS

FUND ADMINISTRATION The Fund is administered by Mercer Human Resource Consulting (Mercer). The company is part of the Marsh & McLennan Group, which is one of the largest insurance broking operations in the world. The Trust Deed allows the Trustee to appoint an administrator for the Fund. The tasks and duties of the administrator are detailed in a Memorandum of Delegation of Authority that the Trustee has provided to Mercer. Under the Memorandum, Mercer is responsible for establishing and maintaining all Fund administration records, receiving contributions, paying benefits and attending to most administrative requirements of the Fund. Mercer is paid a monthly fee for the administration it provides, based on the number of Fund members. From time to time Mercer provides additional services to the Fund that are paid for on a 'fee for service' basis.

SUPERANNUATION SECRETARIAT SERVICES The Trustee has appointed Superannuation Secretariat Services Pty Ltd to provide secretariat services for the Fund. The company employs Mr Phillip Roberts as Executive Officer/Fund Secretary. He is also the Public Officer and Complaints Officer for the Fund.

COMPLYING FUND Rei Super has complied with the Occupational Superannuation Standards legislation since the legislation was introduced. Since 1 July 1994 the Fund has also complied with the Superannuation Industry (Supervision) Act, 1993. This makes Rei Super a complying fund and ensures that members benefit from the concessional tax.

The staff of the Fund Administrator who can help you with any enquiries you may have regarding your entitlements are:

Fund Administration Manager Julie Ingham

Work group Leaders ~ Aileen Hurst ~ Sonja Brauns

Fund Administrators ~ Angela Godleman ~

Troy Sutherland ~ Steven Conlon ~ Rachel Musci.



FUND ADMINISTRATORS (from left)

REGULATED FUND The Fund is a regulated superannuation fund. The Superannuation Industry (Supervision) Act 1993 and regulations govern the operation of superannuation funds in Australia. This report contains all the information and disclosures required by the legislation.

ELIGIBLE ROLL-OVER FUND (ERF) The Superannuation (Industry) Supervision legislation allows the Trustee to pay a member's benefit to an eligible rollover fund once 28 days have elapsed after a benefit becomes payable and the member has not given a direction to the Trustee. Currently, the legislation also requires that the Trustee must pay a member's benefit into an ERF if the member becomes a 'lost member'. During the year, the Trustee has used the discretion provided by the legislation to rollover members' benefits into the Colonial SuperTrace ERF. Members affected by this Trustee decision are notified. The ERF can be contacted as follows:

Colonial SuperTrace ERF

Locked Bag 5429

PARRAMATTA NSW 2124

Tel: 1300 788 750

From 1 November 2002, the Trustee will pay members' benefits

WHAT WE HAVE TO TELL YOU

into another ERF ~ Australian Preservation Fund (APF). Contact details are:

APF Administration

PO Box 2468

KENT TOWN SA 5071

Tel: 1300 361 798

Fax: 1300 366 233

Email: admin@mail.apf.net.au

MANAGING YOUR FUND The Trustee is responsible for the overall management of the Fund. The board meets quarterly to review the operations of the Fund and considers such matters as:

- performance of the Fund's investments and assessment of the investment strategy;
- administration of the Fund including receiving reports from Mercer on administration and technical superannuation issues;
- payment of discretionary benefits relating to death or total and permanent disablement claims; and
- promotion of the Fund to members, employers and other interested parties.

Comprehensive performance standards for the Fund Administrator have been established. These standards are designed to obtain the best possible service for members. They provide the means by which the Trustee monitors the performance of Mercer.

Performance standards are agreed with the Fund Administrator to ensure they are realistic and reasonable. With the aim of improving services to members, the Trustee directors regularly review the standards against industry 'best practice'.

PRESERVATION Under changes to the superannuation legislation that came into effect on 1 July 1997, benefits payable in excess of \$200 must be preserved and paid into an 'Approved Deposit Fund' unless the member:

- has reached preservation age and has permanently retired from the work force.
- is permanently disabled;
- has reached age 65.

If one or more of these conditions can be satisfied, the benefit can be paid to the member. Proof of satisfying these conditions

must be provided to the Fund Administrator. All superannuation contributions received after 30 June 1999 are preserved.

Birth Date	Preservation Age
Before 1/7/60	55
1/7/60 - 30/6/61	56
1/7/61 - 30/6/62	57
1/7/62 - 30/6/63	58
1/7/63 - 30/6/64	59
After 30/6/64	60

COMPLAINTS Rei Super has formally established and approved procedures for handling complaints from members. The procedure provides members with a mechanism to lodge complaints and to have them answered.

In the first instance, complaints should be in writing and addressed to:

Complaints Officer

Rei Super

Locked Bag 479

Adelaide SA 5001

The Complaints Officer will consider a member's complaint and respond in writing. If members are not completely satisfied with the response, or consider that they have been disadvantaged by a decision, they should formally notify the fund that they dispute the decision. In this case, their letter to the Complaints Officer should be headed "Notice of Dispute". The fund will consider and respond to the notice of dispute within 90 days.

Members have a further avenue of redress if they do not receive a response within 90 days or are not satisfied with the response. If the above procedures have been followed, members can approach the Superannuation Complaints Tribunal for assistance with their dispute.

The Superannuation Complaints Tribunal can be contacted on **13 14 34**.

DISCLAIMER Information provided in this report is not offered as financial, investment or taxation advice. Individuals should seek appropriate professional advice for financial, investment and taxation matters. Information provided in this report was correct as at 31 October 2002.



*Trustees and Officers ~ (Standing L to R) Michael Kumm, Neville Pozzi, David Cameron, Ian Armstrong, Norman Meadows, Phil Roberts
(Seated L to R) Beth Stratfold, Helen Cunningham, Bill Woolcock, Ken Searson, John Greig*

BOARD COMMITTEES

Administration Committee

John Greig ~ Chairman
Beth Stratfold
Helen Cunningham
David Cameron
Norm Meadows
Phil Roberts ~ Secretary

Death & TPD Claims Committee

Norm Meadows
Michael Kumm
Phil Roberts ~ Secretary

Marketing Committee

Ian Armstrong ~ Chairman
Beth Stratfold
Neville Pozzi
John Greig
David Cameron
Phil Roberts ~ Secretary

Compliance and Audit Committee

Neville Pozzi ~ Chairman
Ian Armstrong
Grant Banner
Ken Searson
Beth Stratfold
Phil Roberts ~ Secretary

SERVICE PROVIDERS

Accounting and Taxation Advisor

Mercer
ABN 32 005 315 917

Auditor

Ernst & Young
ABN 75 288 172 749

Banker

ANZ
ABN 11 005 357 522

Custodian

Cogent
ABN 71 002 655 674

Insurers

Hannover Life Re of Australasia
Limited
ABN 37 062 395 484

MLC Limited
ABN 94 000 000 420

Fund Administrator and Advisor

Mercer
ABN 32 005 315 917

Investment Advisor

InTech Fiduciaries Limited
ABN 54 071 808 501

Secretariat Services

Superannuation Secretariat Services
ABN 83 078 767 049

Solicitors

G Bourne Consulting Pty Limited
ABN 78 079 976 373