

# Your Super... a long term journey



# From your Chairman

## New website makes it easier for you to manage your super

As the industry super fund for the property sector, we understand what property professionals need and want. Our new website makes it easier for you to find out what you need. Its features include:

- > Forms that you can download and store
- > Access to your personal details and account balances details
- > Details of contributions paid to your account
- > The ability to update your personal information and switch your investments
- > The latest weekly unit prices (usually updated Fridays)
- > Latest REI Super news
- > Financial planning information and calculators.

You can login with your member number and request a PIN. (If we have your email address, we will send you your PIN via email). Or you can call us on 1300 13 44 33.

## On Behalf of the Board of Trustees, I am pleased to present the REI Super Annual Report for 2008 to members.

I am sure all members are aware of the financial crisis that has spread throughout the world and engulfed investment markets. After a period of strong investment returns, this has resulted in the most difficult investment environment seen for perhaps a generation.

While we understand that some members may be unsettled by these recent events, history has shown that markets do move in cycles. With superannuation being a long term investment, it is more important than ever to focus on long term objectives. This means thinking carefully before making any changes.

I encourage you to talk to a licensed financial adviser on REI Super's Helpline on 1300 13 44 33 if you need to discuss the investment strategies that are appropriate for you.

### Investment environment

Investment markets for the financial year fell across most sectors, which in turn resulted in a decline for most options for REI Super. However, the three and five-year returns for these options at 30 June 2008 were: Growth: 5.3% and 10.0%, and Trustee Super Balanced: 5.1% and 8.5%.

[Click here](#) for further details on investment returns for the various options and the investment environment.

### NEW! Insurance upgrade

During the 2007/08 year, your Board of Trustees undertook a review of insurance arrangements. Following extensive negotiations we are now able to offer you, as a member, the benefit of a 57% average increase in cover for each \$1 unit. There is also now an automatic additional unit of cover available to members

who require it. These changes became effective from 1 February 2008 to ensure that you have adequate cover to meet your insurance needs.

### Convenience in contribution payments

In 2008, we introduced BPay to allow both employers and members to make contributions to the Fund over the internet. This has made it even easier and more convenient to pay to REI Super.

### Pension section

We have seen the continued growth of our REI Super Elite Pension section, which provides account-based pensions for members in retirement, and transition to retirement pensions for those approaching retirement. These retirement income stream products have proved to be very popular with members, by allowing those who reach retirement to maintain their benefits in the Fund.

We continue to look for ways to add value for our members.

Finally, I thank the Trustees and all the Fund staff and service providers for their hard work and diligence in managing our Fund over the past year in what has been an exceptionally challenging environment.

I am confident that the strategy your Board has adopted will continue to see the Fund through this period and return value to you, the member.

Yours faithfully,



Bill Woolcock  
Chairman

# The market downturn and your super



If your super balance has decreased this year, you might be a bit worried.

You're not alone. Investment markets worldwide have taken a significant downturn this year, and because super is invested in the markets, nearly everyone's super has been affected.

The important thing is not to lose heart. Negative returns are something you should expect from time to time.

Past performance should not be relied on as an indicator of future performance. Performance for Australian Shares is based on the S&P/ASX 300. Performance for cash is based on the UBSA 90 Day Bank Bill Index.

## Super performs well over the long term

It's vital to keep this market downturn in perspective as it's only a small part of the larger context. One-year investment returns can distort the true picture of how your super is performing. Consider the one-year returns against the longer-term gain shown in this graph.

While Australian shares have delivered a return of -13.7% (S&P/ASX300) for the year to 30 June 2008,

over the last ten years they have risen by 189% in total. This is an average of 11.2% a year. An equivalent cash investment returned 7.34% (UBSA 90 Day Bank Bill Index) for the year to 30 June 2008, but only increased 73.71% in total, or an average of 5.68% a year, over the same ten-year period.

[Click here](#) to check out the five- and ten-year returns for your investment option

Based on initial investment of \$10,000 at 1 July 1998



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## Take comfort in history

When markets get shaky, history provides some reassurance. Inevitably, downturns have been followed by recovery. This cycle has been repeated over and over again. Over the past 15 years, there have been several significant downward adjustments, which have always been followed by a recovery.

For example:

- > **1997**, Asian crisis - resulted in a 10% market slide in a single month
- > **2000**, Tech wreck - the US NASDAQ index slumped 64%
- > **2001**, September 11 - global slowdown, corporate scandals and September 11 triggered a 12% slide over three months
- > **2008**, Sub-prime - major falls, rallies and ongoing volatility

Despite short-term market volatility as a result of these events, the value of the shares increased over the long term.

So, while it is important to note that we can't rely on historical performance as a guarantee of future performance, past events show that the markets have always recovered over time, providing strong long-term growth.

## Don't try to time the markets

Changing investment strategies during a downturn can prove risky. In fact, research has shown that investors who attempt to 'time the markets' by frequently switching investments generally perform badly over the long term. If you are considering changing your investment strategy, make sure you educate yourself first, and speak to a licensed or appropriately authorised financial advisor before you take action. If you don't have an advisor, you can call REI Super's Helpline on **1300 13 44 33**.

## Arm yourself with information

Understanding investment basics can help you to stay focused during testing times. The basic rules for investing are tried and true, and don't change. The better you understand these, the more comfortable you will be with your investment decisions.

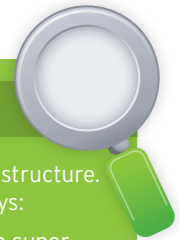
It's important to understand the investment profile of your super investment option. Generally, the likelihood of a negative annual return for aggressive investment options (high exposure to shares) may be one year in every three to five years\*. Defensive investment options (high exposure to cash) are not risk free as their return performance can erode with increases in inflation. The likelihood of a negative return with a defensive option is one year in nine\*.

## Super is very tax-effective

Super can be a tax-effective investment structure. Super offers tax advantages in three ways:

- > On contributions as they are paid into super
- > On investment returns, and
- > When a super payout is taken after the age of 60.

These tax advantages mean that you can get more 'bang for your buck' with super. Speak to a licensed or appropriately authorised financial advisor to ensure you're making the most of super's tax advantages.



# Your questions answered



## **Q** How can my super be going backwards?

**A:** We understand that seeing the balance of your super decrease is disappointing and frustrating. However, super and the investment markets go hand in hand. Super investments are not like a bank account. Depending on how you have chosen to invest your super, it will generally have exposure to shares, property, fixed interest and cash and can produce both positive and negative returns.

This has been a disappointing year for shares and property investments and it may be some consolation to know that super funds Australia-wide have been affected. So, by sitting tight, your losses are only on paper. Super invested in growth assets, as super usually is, will benefit again when the markets recover.

It is important to bear in mind that over the long term, shares and property investments have delivered higher returns than cash, even though it's been a bumpy ride.

## **Q** How can my investment option lose money?

**A:** The market downturn has affected super funds Australia-wide. REI Super chooses investment managers that focus on building and managing investments that maximise returns for investors over the long term. There is a trade-off between long-term performance and the risk of a negative return in any given year. Given information on how markets have performed in the past, most types of investments are expected to deliver a negative return at some time.

The frequency of the negative returns depends on the asset class. For example, shares are expected to give a negative return one year in every three to five years; negative returns for cash are expected once every nine years\*. Look at your investment option's performance over the past five or ten years to see how it has been performing.

## **Q** When will this downturn end?

**A:** Unfortunately, no one can predict when markets will recover. Over the past 100 years, share or property markets have dived periodically, but they have experienced subsequent years of positive growth.

## **Q** Aren't REI Super the experts - shouldn't they have prevented this from happening to my super?

**A:** We've been expecting a correction for some time, but we couldn't have predicted the exact timing or scale of it. Many factors have compounded to cause the downturn, including the collapse of the sub-prime mortgage market in the US, rising oil prices and increasing inflation.

Trying to switch investments to 'time the market' has its own risks.

REI Super's focus is on selecting investment managers who maximise returns for investors over the long term rather than trying to time the market. We choose investment managers with sound fundamentals and who use diversification to minimise risk.



**Q Should I change investment options?**

**A:** Generally, if you have a well-thought out investment strategy already, you shouldn't change your investment option. The exception would be if something in your situation has changed: your investment timeframe, such as your investment objectives or your risk tolerance. For most people, super is a long-term investment so it's best to take a long-term view. Market downturns tend to be smoothed out over the long term.

Keep in mind, too, that when the underlying value of investments is low, your super contributions have more buying power, which will be to your advantage when prices rise again.

When you choose your investment options, you should consider these factors:

- > Your investment timeframe - how much time do you have before you access your money?
- > Your savings goals
- > Your personal risk tolerance - are you able to cope with the occasional negative return?

If you aren't comfortable with negative returns you might need to review your investment options.

You should seek advice from a licensed or appropriately authorised financial advisor before making a change to your super.

**Q Is super really a good investment?**

**A:** Yes - super can be a tax-effective structure for saving for the future. Super gives tax advantages at three points:

1. when your contributions go into your account;
2. when investment returns are declared; and
3. when you take your super payout if you are over age 60.

By making best use of this tax effectiveness and channelling these savings into super, it can make a difference to the super payout in the long run.

Also, for most people, super is a long-term investment over the duration of their working life, so they benefit from the power of compounding interest (earning interest on interest). Additionally, super can be invested in growth assets such as shares. Although shares sometimes reduce in value in the short term, they have delivered the greatest long-term returns.

If you have a well-thought out investment strategy already, you shouldn't change it unless something in your situation has changed (see previous question).

**Q Why wasn't my money switched to cash when the market went down?**

**A:** Trying to switch investments to 'time the market' has its own risks as there is no certainty when markets will turn around. Funds that aim for higher investment returns are generally invested in a higher proportion of shares. Due to the cyclical nature of the market, it is anticipated that they will, on average, produce a negative return once in every three to five years\*. Despite this fluctuation, growth assets, like shares and property, have produced the highest returns long term.

**Compare the pair**



You've probably seen the 'compare the pair' ads on TV that show how being in an industry super fund like REI Super will see you retire with a lot more super.

That's because REI Super is an industry fund run only to profit members. We do not pay dividends to shareholders or commissions to financial advisors. This means more of your contribution dollars remain invested in the Fund to assist with building your retirement benefit.

\* The comparison shows projected outcomes, applying current fees for REI Super's Balanced investment option and today's average fees of a sample of 18 Retail Master Trusts over 25 years. Differences in fees may change in the future and this would alter the outcome. The amounts are not predictions or estimates of actual outcomes. Outcomes will vary between individual funds. Research and modelling current at 31 March 2008 by SuperRatings, commissioned by Industry Funds Services Pty Ltd.

Above example is a comparison of two employees that assumes same starting account balance of \$50,000, same income of \$58,000, 2.5% inflation rate; 3.5% salary increase per annum; 9% superannuation guarantee contributions; no additional salary sacrifice or voluntary contributions; 15% contributions tax; employer asset sizes accumulated at 11.6% per annum; investment return of 7.225% (gross of taxes and fees at 8.5%, but with taxes of 15% deducted); explicit costs deducted from members' accounts (eg member fee) subject to a 15% tax allowance; contribution fees, entry fees, exit fees, additional adviser fees are excluded from calculations; employer asset size \$150,000. Consider your own objectives, financial situation and needs before making a decision about superannuation, because they are not taken into account in this information. You should consider the Product Disclosure Statement as a whole before making an investment decision.

# Investment results



INVESTMENT OPTION	ONE YEAR ENDED 30 JUNE 2008 (%)	FIVE YEAR (% P.A.)	TEN YEAR (% P.A.)	SINCE COMMENCEMENT (% P.A.)	COMMENCEMENT DATE
<b>REI SUPER FUND</b>					
Super Cash	6.7	4.4	4.4	4.4	1 July 1998
Super Stable	-3.3	n/a	n/a	5.4	1 November 2003
Trustee Super Balanced	-10.9	8.5	5.7	8.0	1 July 1993
Super Growth	-15.3	10.0	5.5	5.5	1 July 1998
<b>ELITE ACCUMULATION FUND</b>					
Australian Shares	-7.7	n/a	n/a	7.3	31 July 2006
International Shares	-10.8	n/a	n/a	0.8	31 July 2006
Australian Property	-22.2	n/a	n/a	-3.7	31 July 2006
International Property	-13.0	n/a	n/a	-1.3	31 July 2006
Fixed Income	2.5	n/a	n/a	2.9	31 July 2006
<b>ELITE ALLOCATED PENSION</b>					
Super Cash	7.9	n/a	n/a	7.3	31 October 2006
Super Stable	-3.8	n/a	n/a	0.4	31 October 2006
Trustee Super Balanced	-12.8	n/a	n/a	-2.1	31 October 2006
Super Growth	-17.9	n/a	n/a	-4.1	31 October 2006
Australian Shares	-8.5	n/a	n/a	3.7	31 October 2006
International Shares	-12.0	n/a	n/a	-2.9	31 October 2006
Australian Property	-24.6	n/a	n/a	-9.1	31 October 2006
International Property	-15.1	n/a	n/a	-8.9	31 October 2006
Fixed Income	2.86	n/a	n/a	2.4	31 October 2006

Please note: All returns are quoted net of fees and tax. Past performance is not an indicator of future performance.



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## Your investment purchases units

The net amount of your superannuation contributions (i.e. after any fees and/or taxes are deducted) buys what is known as 'units' in your chosen investment option(s). The number of units that your net contributions buy depends on the unit price at the relevant time. For example, if your net contributions are \$1,000 (i.e. after any fees and/or taxes are deducted) and the unit price of your selected investment option is \$1.00 at that time, then 1,000 units would be bought on your behalf.

Unit prices for each investment option are calculated on a weekly basis and fluctuate according to the investment performance of that investment option. (This means the unit price for each option will reflect the value of the option's underlying investments after tax provisions and management fees on those investments.)

Units in a member's account are held at their redemption (or sell) price value and this value is shown on the website, provided in Benefit Estimates or on the *Annual Statement of Benefits*.

The value of your account balance at any time is simply the number of units you have multiplied by their unit price at that time. Net earnings on your chosen investment option(s) (which may be positive or negative) will be reflected via changes in unit prices. If the net earnings for the option are positive, the unit price will increase. If the net investment earnings are negative (a loss), the unit price will decrease.

The effective rate of net earnings for a given period can therefore be determined by the proportionate increase (if returns are positive) or decrease (if returns are negative) in the unit prices from the start to the end of the period.

## How the Fund's investments work

The Trustee, in conjunction with REI Super's investment consultant, Intech, sets the overall investment objectives and strategy for each option. Intech implements the strategy via investments in a variety of underlying Intech unit trusts.

If you do not nominate an investment option when you join the Fund, your super will be invested in the default option, which is the Trustee Super Balanced option.

The full Investment Policy and Strategy can be viewed on the Fund website [www.reisuper.com.au](http://www.reisuper.com.au) or by phoning 1300 13 44 33.

You can change your investment choice at any time and there is no switching fee. However, there may be a buy/sell spread cost as detailed in the Fees and Charges section of the report.

To view detailed information on your current investment option or on how to change options, log onto [www.reisuper.com.au](http://www.reisuper.com.au) and follow these prompts:

- > From the home page, click on 'Login'
- > Logon using your member number and PIN. (Please call 1300 13 44 33 if you need details of your PIN.)
- > Click on 'Your Investments'
- > Click on 'Your Investment Mix' or 'Change Investment Choice'.

Alternatively, call the REI Super Helpline on **1300 13 44 33** where a Customer Service Representative will be pleased to assist with explaining the investment options.

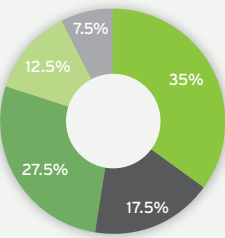
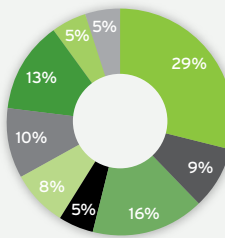
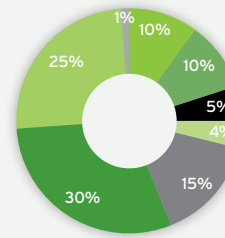
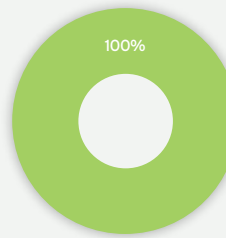
### Did you know?

You can decide how you want your super invested. With REI Super you can choose from up to 9 different options. [Click here to find out more.](#)





## REI SUPER INVESTMENT OPTIONS

	SUPER GROWTH	TRUSTEE SUPER BALANCED	SUPER STABLE	SUPER CASH
<b>Overall Objective</b>	To provide members with a top-performing diversified shares investment.	To provide Members with a top-performing growth-oriented diversified investment.	To provide Members with a top-performing conservative diversified investment option.	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.
<b>Investment Objectives</b>	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.	To earn a rate of return, after tax and fees, that exceeds CPI by at least 3% per annum over the average time expected to be spent by Members in the workforce.	To earn a rate of return, after tax and fees, that exceeds CPI by at least 1% per annum over rolling 3-year periods.	To match and, where possible, enhance performance relative to the CPI benchmark over rolling 3-year periods.
<b>Risk Profile</b>	<p><b>High</b></p> <p>The Super Growth investment option is designed for Members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets (shares, property and alternatives) and has the potential for the highest return over the long term. However, returns will vary and are expected in some years to be low or negative.</p> <p>To provide an illustration of the risk profile, based on the last 30 years of market data, this option would have delivered a positive return on average in around 4 out of every 5 years.</p>	<p><b>Medium to High</b></p> <p>The Trustee Super Balanced investment option is designed for Members who prefer to accept a medium to high potential return for medium risks. This option invests mainly in growth assets (shares, property and alternatives), with some interest-bearing assets (cash and bonds).</p> <p>It has potential for high returns over time, due to the significant proportion of growth assets. However, returns will vary and are expected in some years to be low or negative, although to a lesser degree than the Super Growth option.</p> <p>To provide an illustration of the risk profile, based on the last 30 years of market data, this option would have delivered a positive return on average in around 5 out of every 6 years.</p>	<p><b>Medium to Low</b></p> <p>The Super Stable investment option is designed for Members who require more stable returns. This option invests mainly in interest-bearing assets (cash and bonds), with some growth assets (shares, property and alternatives). Returns have the potential to be higher than just investing in cash investments. Returns will vary and there is still a slight possibility of delivering a negative return in any one year, but are likely to be more stable than options with a higher proportion of growth assets.</p> <p>To provide an illustration of the risk profile, based on the last 30 years of market data, this option would have delivered a positive return on average in around 20 out of every 21 years.</p>	<p><b>Low</b></p> <p>The Super Cash investment option is designed for Members who seek a lower potential return in exchange for low risk. Returns will be comparatively stable, with only a negligible risk of delivering a negative return in any one year.</p>
<b>Investment Mix</b>	 <ul style="list-style-type: none"> <li>■ Australian shares</li> <li>■ International shares (hedged)</li> <li>■ International shares (unhedged)</li> <li>■ Global property</li> <li>■ Alternatives</li> </ul> <p>Allocations shown above may vary ±5%</p>	 <ul style="list-style-type: none"> <li>■ Australian shares</li> <li>■ International shares (hedged)</li> <li>■ International shares (unhedged)</li> <li>■ Australian property</li> <li>■ Global property</li> <li>■ Australian bonds</li> <li>■ International bonds (hedged)</li> <li>■ Cash</li> <li>■ Alternatives</li> </ul> <p>Allocations shown above may vary ±5%</p>	 <ul style="list-style-type: none"> <li>■ Australian shares</li> <li>■ International shares (unhedged)</li> <li>■ Australian property</li> <li>■ Global property</li> <li>■ Australian bonds</li> <li>■ International bonds (hedged)</li> <li>■ Cash</li> <li>■ Alternatives</li> </ul> <p>Allocations shown above may vary ±10%</p>	 <ul style="list-style-type: none"> <li>■ Cash</li> </ul>

# 4 ways to grow your super



## 1 Rollover your other super into your REI Super account and pay less in fees

Firstly, contact your previous superannuation provider to confirm the applicable fees and charges that will be incurred. It is standard practice for super funds to charge a benefit payment fee to transfer to another fund. However, some super products also incur a substantial penalty for rolling out of a plan prior to retirement age. For this reason it is advisable to check the fees and penalties your previous fund will be charging.

Then follow these three simple steps:

### Step 1:

- > Log onto [www.reisuper.com.au](http://www.reisuper.com.au) to download the Rollover Form from the Fund website (no PIN required)
- > Click on the 'Forms & Publications' tab, and
- > Select 'Consolidate Your Super' located under 'Member Forms' and print a copy.

### Step 2:

Complete the form, which requires full details of your previous superannuation fund membership. It's a good idea to also attach a photocopy of your old fund benefit statement to the form. Don't forget to include a certified copy of proof of your identity as detailed in the form. Most funds these days will not transfer benefits without this proof. A separate form is required for each of the previous funds holding a current balance that you wish to transfer into REI Super.

### Step 3:

Return the original completed form to:

REI Super  
GPO Box 4303  
Melbourne VIC 3001

Your previous fund will provide written confirmation once the balance has been transferred to REI Super. You will also be provided with written advice from REI Super confirming receipt of the monies from your previous fund.

There are no fees charged by REI Super for rolling in other funds.

## 2 Take REI Super with you when you change jobs

REI Super is the industry fund for the property services sector. When you leave employment with your current employer, you can continue to enjoy the benefits of being a member of REI Super, whether or not you are still working in the property services sector.

You should ask your new employer to direct future contributions to REI Super by providing your Fund membership details to your employer. Call the REI Super Helpline on **1300 13 44 33** if you need any assistance.

By continuing your membership with REI Super, you have the benefit of maintaining continuity of your insurance cover, as well as the various other benefits and services offered by the Fund.



### 3 See if you're eligible for free money from the Government

If you make personal contributions, you may be eligible for the Federal Government's co-contribution, if:

- > Your income and reportable fringe benefits are less than \$ 60,342 in a year
- > You made a contribution (not salary sacrifice) into a superannuation fund
- > You are a permanent resident aged less than 71 years old at the end of the financial year in which you made a payment
- > You are not fully or largely self-employed
- > You lodge a tax return.

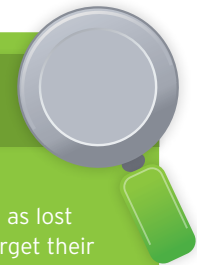
The amount of the government co-contribution depends on your income (including reportable fringe benefits) and your own superannuation contribution.

The following table shows some examples of the co-contributions you will receive under this scheme for the 2008/09 income year. The Australian Taxation Office (ATO) determines the amount of your Government co-contribution after they receive your annual tax return. This amount will be automatically credited to your account in REI Super.

Contributions can be made (after tax) by cheque, BPAY or as deductions from your salary.

IF YOU CONTRIBUTE:	\$1,000	\$800	\$500	\$200
YOUR ASSESSABLE INCOME AND REPORTABLE FRINGE BENEFITS ARE:	YOUR SUPER CO-CONTRIBUTION WILL BE:			
\$30,342 or less	\$1,500	\$1,200	\$750	\$300
\$32,000	\$1,417	\$1,200	\$750	\$300
\$36,000	\$1,217	\$1,200	\$750	\$300
\$40,000	\$1,017	\$1,017	\$750	\$300
\$44,000	\$817	\$817	\$750	\$300
\$48,000	\$617	\$617	\$617	\$300
\$52,000	\$417	\$417	\$417	\$300
\$56,000	\$217	\$217	\$217	\$217
\$60,000	\$17	\$17	\$17	\$17
\$60,342	\$0	\$0	\$0	\$0

### 4 Find any super you may have lost



Each year, millions of dollars of super contributions are reported to the ATO as lost because members change jobs and forget their old super accounts. Then when they move and don't advise their fund of their change of address, they become a lost member. When this occurs, the super fund has to send their last known details to the ATO.

If you think that you may have lost some of your super, you can check online at [www.ato.gov.au/super](http://www.ato.gov.au/super) or [www.unclaimedsuper.com.au](http://www.unclaimedsuper.com.au) to locate it.

By providing some personal details and your tax file number, you can search the Lost Members Register, the Superannuation Holding Account Reserve and Superannuation Guarantee records. If a possible match is found, the person conducting the search is provided with the name and contact phone number of the superannuation fund that provided the information to the ATO.

# REI Super Elite

'REI Super Elite' - a high-quality, low-cost super fund exclusively designed for members with over \$100,000 in their super account.



## Your super your way

Tailor your super to your individual needs - without the headaches, compliance and costs of self-administration.

REI Super Elite gives you:

- > Four diversified and five single sector investment options, plus the flexibility to select any combination of options or switch at any time without a fee.
- > Income protection insurance with a choice of 30, 60 or 90-day waiting periods
- > Extensive life and total and permanent disablement insurance - with either a fixed or declining insured value
- > A range of retirement pension options to suit income requirements
- > Personal financial advice to tailor REI Super Elite to suit individual needs.

If your account balance is over \$100,000 and you have not yet joined Elite, please call the REI Super Helpline on 1300 13 44 33 for further details.

## REI Super Elite Pension options

An allocated pension is a way of using the super money you have accumulated to provide a regular income.

The REI Super Elite Pension is available if:

- > You have, or intend to, permanently retire from the workforce (that is, you do not intend to work more than 10 hours per week ever again), OR
- > You have reached your preservation age, intend to continue working and wish to draw an income from your existing super money.

If you are a member of REI Super Elite, you may transfer part, or all, of your super account into an allocated pension or a transition to retirement pension (TRP).

We recommend you seek financial advice from the Fund before proceeding with your pension application. As an REI Super Elite member, you are entitled to free financial planning advice. Please call the Helpline on **1300 13 44 33** to arrange an appointment.

## More investment options

REI Super Elite has an additional five sector specialist investment options which may be particularly relevant to high net worth real estate professionals.

Investors offered membership in REI Super Elite have the opportunity to tailor their asset allocation using the Elite sector specialist options as building blocks in constructing their preferred portfolio. The sector specialist options serve to complement the existing diversified options (Super Growth, Trustee Super Balanced and Super Stable) plus Super Cash. These diversified options, designed to cover the broad risk spectrum, use these sector trusts to create the desired portfolio mix that fits with the risk profile of each option.

Ultimately, these Elite sector options offer members greater control over the mix of assets within their investment portfolio.

The Elite investment options commenced on 31 July 2006.



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## REI SUPER ELITE: SECTOR SPECIALIST INVESTMENT OPTIONS

	AUSTRALIAN SHARES	INTERNATIONAL SHARES	AUSTRALIAN PROPERTY	GLOBAL PROPERTY	FIXED INCOME
<b>Overall Objective</b>	To provide Members with a top-quality, professionally managed diversified Australian shares investment.	To provide Members with a top-quality, professionally managed diversified international shares investment.	To provide Members with a top-quality, professionally managed diversified domestic property securities investment.	To provide Members with a top-quality, professionally managed diversified global property securities investment.	To provide Members with a top-quality, professionally managed bond and fixed income investment.
<b>Investment Objectives</b>	To earn a rate of return, (gross of fees and tax) above benchmark over rolling 5-year periods within a clearly defined risk profile. The benchmark is the S&P/ASX 300 Accumulation Index.	To earn a rate of return (gross of fees and tax) above benchmark over rolling 5-year periods within a clearly defined risk profile. The benchmark is the MSCI All Country World ex-Australia Index with net dividends reinvested (50% hedged into \$A).	To match and, where possible, enhance performance relative to the benchmark (gross of fees and tax) over rolling 5-year periods. The benchmark is the S&P/ASX 300 Property Accumulation Index.	To earn a rate of return (gross of fees and tax) above benchmark over rolling 5-year periods. The benchmark is the UBS Global (ex-Australia) Property Investors Index (fully hedged into \$A).	To earn a rate of return (gross of fees and tax) above benchmark over rolling 3-year periods. The benchmark is 50% UBS Government Bond (All Maturities) Index, and 50% Lehman Global Aggregate (hedged into \$A) Index.
<b>Risk Profile</b>	<b>High</b> The Australian Shares Option is designed for Members who want higher potential returns and are more comfortable with greater fluctuations in returns. This option invests only in growth assets (Australian shares) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be negative.	<b>High</b> The International Shares Option is designed for Members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets (international shares) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be low or negative.	<b>High to Moderate</b> The Australian Property investment option is designed for Members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets (Australian listed property) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be low or negative.	<b>High to Moderate</b> The Global Property investment option is designed for Members who want higher potential returns and who are more comfortable with greater fluctuations in returns. This option invests only in growth assets (global property) and has the potential for high returns over the long term. However, returns will vary and are expected in some years to be low or negative.	<b>Moderate</b> The Fixed Income investment option is designed for Members who require more stable returns. This option invests in interest-bearing assets (bonds), with possibly a small amount of cash. Returns have the potential to be higher than just investing in cash investments. Returns will vary and there is the slight possibility of delivering a negative return in any one year, but are likely to be more stable than options with a higher proportion to growth assets.
<b>Investment Mix</b>	100% Intech Australian Shares Active Trust	50% Intech International Shares Active Trust (unhedged) 50% Intech International Shares Active Trust (hedged)	100% Intech Australian Property Securities Trust	100% Intech International Property Securities (Hedged) Trust	50% Intech Australian Bond Trust (Passive) 40% Intech International Bond Active Trust (H) 10% Intech International Bond Trust (H) (Passive)

# Your benefits



**MembersEquity**  
The Super Funds Bank

## Insurance

REI Super provides flexible cover for both death and total and permanent disablement and also salary protection insurance. These are provided via insurance policies with Metlife. Cover starts from \$1 per week.

These benefits are fully detailed in the Fund's Product Disclosure Statement (PDS) which is available from the Fund's website at [www.reisuper.com.au](http://www.reisuper.com.au) or by calling 1300 13 44 33. The following provides a brief description.

### Death Cover

Both active and inactive members have death cover. Cover is unitised and is provided 24 hours a day, seven days a week.

### Total & Permanent Disablement (TPD) Cover

Members who work full-time also receive protection for total and permanent disablement. 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. Refer to the Fund PDS for the full definition of total and permanent disablement.

All members received a benefit statement in September detailing their amounts of cover. If you haven't reviewed your cover recently, this might be a good opportunity to see that you and your family are adequately protected.

### Voluntary Salary Continuance Insurance (SCI)

The Fund offers Salary Continuance Insurance (SCI) to protect a member's income in the case of an accident and/or illness. You can insure a fixed amount up to a maximum of 75 per cent of your salary. Salary includes commissions, retainers and bonuses.

A \$100/week unit of SCI cover costs \$13 a year. If, for example, 75 per cent of your annual income is \$52,000 and you desire \$1,000 per week SCI cover, you would require 10 units (\$1,000 divided by \$100 per week). At a cost of \$13 per \$100 unit per year, this means your annual total SCI cover would cost you \$130.

For a brochure on SCI, call the Fund on 1300 13 44 33. The brochure is also available on the website at [www.reisuper.com.au](http://www.reisuper.com.au)

### Members' health support

REI Super is concerned about our members' wellbeing. Depression is more than just a low mood; it's a serious illness that can affect any one of us. One in five people in Australia will experience depression in their lifetime. This affects not only our members, but their families and work colleagues. Help is available.

For information about depression, please visit:

- > [www.beyondblue.org.au](http://www.beyondblue.org.au)
- > [www.lifeline.org.au](http://www.lifeline.org.au)

National Numbers:

- > Lifeline 13 11 14
- > Kids Help Line 1800 551 800
- > Mensline Australia 1300 789 978

## Low-cost banking

As an industry fund, REI Super can offer via Members Equity a range of financial products for members.

The Trustee has an investment in the Super Members Home Loans program. Importantly, this allows Fund members access to 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 the super funds participating in the program that is administered by Members Equity. Several hundred of our members already have mortgages arranged through this facility.

Call Members Equity on 13 15 63 for more information, or visit their website at: [www.membersequity.com.au](http://www.membersequity.com.au)

## Low-cost business loans

The Trustee has invested \$1 million in Super Business Loans. Super Business Loans provides very competitive finance for all business needs including vehicle leasing.

Call 1300 658 108 for more information, or visit the website [www.membersequity.com.au/business](http://www.membersequity.com.au/business)

# Fees and Other Costs

## Changes at 1 February 2009

The costs of running the Fund are managed carefully.

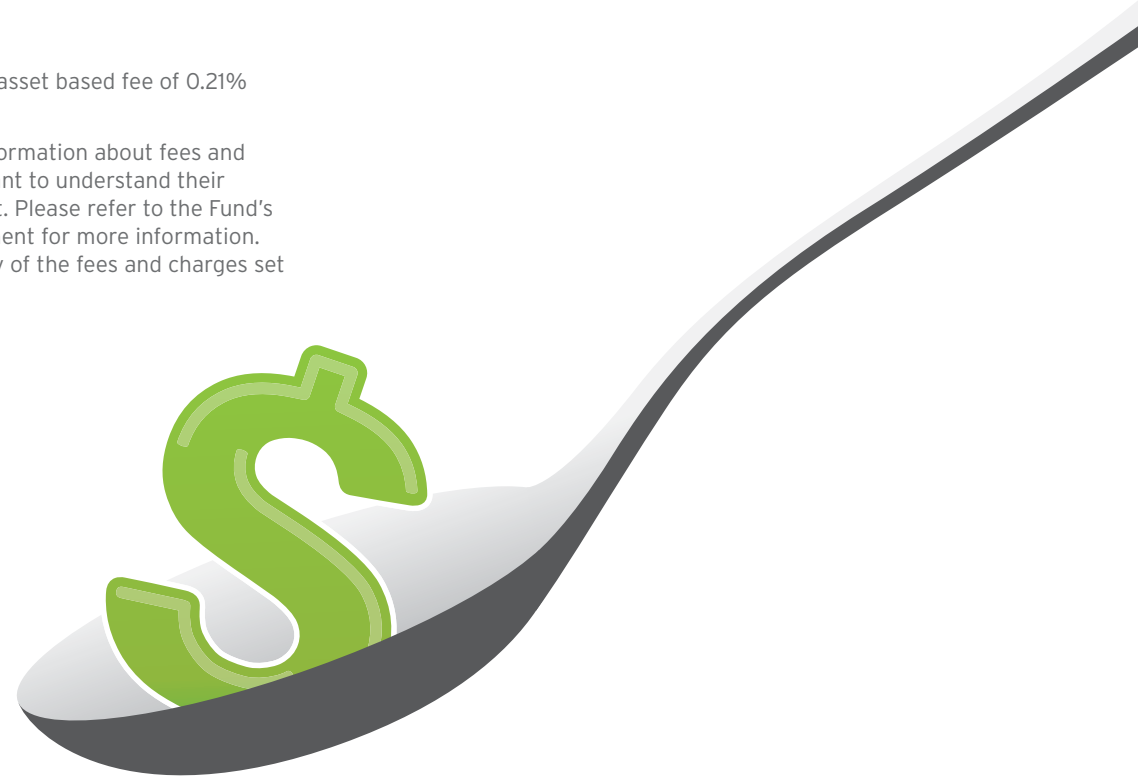
Administration fees are deducted from members' account balances each month. For members with insurance cover, the cost of cover is also deducted from members' accounts according to the number of insurance units held. In addition, employer and pre-tax member contributions are subject to contributions tax which is deducted from their account.

In addition to the administration fees, investment management fees are paid to the investment managers for managing the Fund's assets. These vary according to the investment option selected.

From 1 February 2009, the weekly member fee will increase from \$1.20 per week to \$1.50 per week. The current fee levels have been in place for over 6 years and during that time the costs associated with operating the Fund have risen.

There is no change to the asset based fee of 0.21% (21 basis points).

You should read all the information about fees and costs because it is important to understand their impact on your investment. Please refer to the Fund's Product Disclosure Statement for more information. You do not pay GST on any of the fees and charges set out on the following page.



## Significant Fees

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND</b>		
<b>Establishment fee</b> The fee to open your investment in REI Super	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment - either by you or your employer	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	\$55	The withdrawal fee will be deducted from your benefit at the time of payment (including partial withdrawals and closing your account). Not applicable for Pension members.
<b>Termination fee</b> The fee to close your investment	Nil - included in withdrawal fee	Not applicable
<b>MANAGEMENT COSTS</b>		
<b>The fees and costs for managing your investment in REI Super</b>	An administration fee of \$1.50 per week, plus up to 0.21% of your balance (estimate) plus fees which represent the Fund's Indirect Cost Ratio (ICR). This is a fee for managing the Fund's investments. These fees are deducted before earnings are credited to member accounts as follows: <b>Super Growth</b> - 0.68% to 0.78% of your balance <b>Trustee Super Balanced</b> - 0.44% to 0.54% of your balance <b>Super Stable</b> - 0.34% to 0.44% of your balance <b>Super Cash</b> - 0.15% of your balance <b>Australian Shares</b> - 0.57% of your balance <b>International Shares</b> - 0.75% of your balance <b>Australian Property</b> - 0.25% of your balance <b>Global Property</b> - 0.77% of your balance <b>Fixed Income</b> - 0.33% of your balance	The fixed administration fee is deducted from your account balance monthly in arrears. The percentage fees shown are deducted as part of the calculation of unit prices. These amounts are estimates and may vary from year to year. The percentage fee ranges shown for the Super Growth, Trustee Super Balanced and Super Stable investment options are as a result of 'performance based' investment fees for some underlying investment managers. None of the other investment options currently have any exposure to managers that charge performance based investment fees.
<b>SERVICE FEES</b>		
<b>Investment switching fee</b> The fee for changing investment options	Nil	Not applicable
<b>Family Law Fees</b> A one off fee for family law information and splitting a superannuation payment upon receipt of a splitting agreement or court order	\$340	This fee will be invoiced directly to the relevant party.

\* Note that where the actual expenses incurred by the Fund are less than the amount financed by this 0.21% deduction, the additional amount is credited to your account via an (upwards) adjustment to the weekly unit price. Note that 100bp (basis points) equals 1.00%.



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## Buy/Sell spread

Buy/sell spreads apply when contributions are made, when transfers are received, or when you switch from one investment option to another. They also apply to withdrawals.

The buy/sell spread is a percentage of the amount being contributed, transferred, switched or withdrawn that is charged by the Fund to cover the costs associated with the transaction. These include fees charged by investment managers, brokerage, settlement and clearing costs, stamp duty and other fees that would be incurred in buying or selling part, or all, of the underlying investments.

The buy/sell spread applicable to each investment option is shown in the table below. The percentage is applied at the time of making a contribution, transfer, switch or withdrawal from the Fund. This fee is additional to the fees and costs previously detailed in the [Significant Fees](#).

The Buy/Sell Spreads for the Fund's investment options are:

Super Growth	0.50% (50 basis points)
Trustee Super Balanced	0.40% (40 basis points)
Super Stable	0.18% (18 basis points)
Super Cash	zero (0 basis points)
Australian Shares	0.60% (60 basis points)
International Shares	0.50% (50 basis points)
Australian Property	0.40% (40 basis points)
Global Property	0.70% (70 basis points)
Fixed Income	zero (0 basis points)

## Insurance fees

The cost of insurance premiums is also passed on to members by deduction from their accounts. Please refer to the Fund's Product Disclosure Statement for more details.

## 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. Capital gains tax can apply depending on the asset and the length of time it is owned. Income tax paid by the Fund in 2007/08 was over \$4 million.

As the Government's superannuation regulator, the Australian Prudential Regulation Authority charges each superannuation fund a fee to fund its activities. During the year, REI Super paid \$94,000 in fees to APRA.

## Indexation of fees

The Family Law fees set out in the 'Significant Fees' table will be indexed annually each year in line with Average Weekly Ordinary Time Earnings (AWOTE).

## Fee increases (other than indexation)

The Trustee has the right to increase fees at any time. You will receive at least 30 days notice of any increase in fees.

## Member protection



Federal Government legislation limits the amount of fees and charges that can be applied to certain small superannuation account balances.

If your account balance is less than \$1,000 at the end of a member reporting period (generally 30 June each year) or at your date of exit from the Fund, and your account includes any employer superannuation guarantee contributions, the Trustee is required to limit the total fees (excluding insurance premiums and taxes) charged to your account in a member reporting period to the investment earnings credited to your account in that period.



Back row: John Greig, Michael Kumm, David Cameron, Ian Armstrong, Neville Pozzi, Ken Searson, John Bailey.  
Front row: Helen Cunningham, Mal Smith, Bill Woolcock, Beth Stratfold.

## Who manages your super Fund?

There are nine Directors of the Trustee company and they are appointed by the members of the Fund in accordance with the Rules for Member Representative Directors. The Trustee company also has a non-voting Independent Chairperson.

Independent Chairperson  
(non-voting)  
Bill Woolcock

### Directors of the Trustee at 30 June 2008 were:

Beth Stratfold  
Helen Cunningham  
John Greig  
David Cameron  
Michael Kumm  
John Bailey  
Neville Pozzi  
Ian Armstrong  
Ken Searson (independent)

The Fund has a specific set of rules applying to the appointment and removal of directors and the filling of casual vacancies. For a copy of these rules, please call **1300 13 44 33**.

### Board Committees

The Board operates a number of committees who are sub-groups of Directors to focus on particular issues of importance to the Fund.





Back row: J Bailey, N Pozzi, D Cameron  
Front row: M Kumm, H Cunningham

### 1 Administration Committee

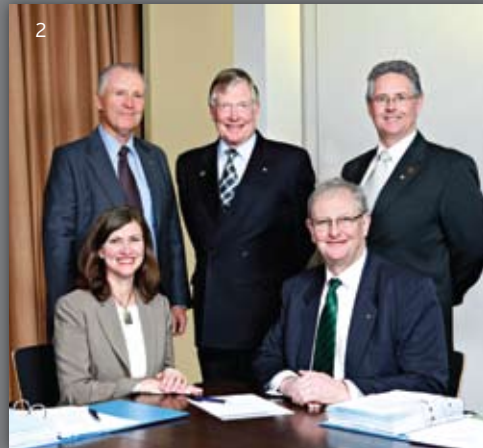
The Administration Committee monitors the performance of service providers, recommends the appointment of service providers, monitors member feedback and responds to any administration complaints.

Committee Members are:  
M Kumm (Chr), J Bailey, H Cunningham, N Pozzi, D Cameron

### Death and Disablement Claims Committee

The Death and Disablement Claims Committee assists the Board by handling death and total and permanent disablement claims between meetings. During the year, the Committee considered out-of-session claims for 45 members compared to 27 the previous year.

Committee members are:  
D Cameron, H Cunningham, J Bailey



Back row: K Searson, J Greig, J Bailey  
Front row: B Stratfold, I Armstrong

### 2 Compliance and Audit Committee

The objectives of the Committee are to ensure that the internal control framework meets the needs of REI Super by overseeing the compliance and audit functions, assuring the objectivity and reliability of financial reports, and assisting the Board in understanding its legal obligations.

In particular, the Committee's objectives include focusing on compliance with the conditions of the Fund's RSE and AFSL Licenses.

Committee Members are:  
I Armstrong (Ch), K Searson, B Stratfold, J Bailey, J Greig, G Banner



Back row: J Greig, N Pozzi, K Searson  
Front row: M Kumm, I Armstrong, M Smith

### 3 Investment Review Committee

The Investment Review Committee oversees the investment arrangements of the Fund. In particular, it works closely with the Investment Consultant (Intech) to undertake strategic investment monitoring and decision making.

Committee Members are:  
K Searson (Ch), I Armstrong, J Greig, M Kumm, N Pozzi, M Smith



Back row: J Greig, D Cameron  
Front row: N Pozzi, B Stratfold, H Cunningham

### 4 Marketing Committee

The Marketing Committee assists the Board of REI Super in promoting the benefits of the Fund to members and potential members.

Committee Members are:  
B Stratfold (Ch), H Cunningham, J Greig, D Cameron, N Pozzi

### Fund Secretariat

The Fund Secretariat is the team of superannuation and finance professionals who run the Fund and assist our members.

They are:

- Mal Smith - CEO
- Julie Ingham - Member Services Manager
- Sue Johnson - Business Development Manager
- Vivienne Murray - Financial Planning Consultant
- Lisa Saunders - Compliance Officer
- Kim Allen - Claims Manager
- Lydia Xenos - Personal Assistant to the CEO

### Fund Administration

The Fund is administered by Mercer (Australia) Pty Ltd (Mercer). Mercer is responsible for maintaining all Fund administration records, receiving contributions, paying benefits and attending to most administrative requirements of the Fund. Mercer also provides the transactional section of the Fund website which enables members to access their balances and undertake transactions online.

Mercer uses a range of sophisticated systems to assist with the smooth running of the Fund.

### REI Super Helpline 1300 13 44 33

The REI Super Helpline is open from 8.30am to 5.30pm (EST) Monday to Friday (national business days) and receives a broad range of enquiries from Fund members.

The Helpline can also provide advice to members on issues including Investment Choice and Insurance options. Our Fund Administrator, Mercer, operates the REI Super Helpline.

### Performance Standards

Performance standards for service providers have been established to provide the best possible service for members and allow the Trustee to monitor these services. The Trustee regularly reviews the standards against 'best practice' within the industry.

### Trust Deed Amendments

The Trust Deed was consolidated in November 2007 to include all amendments such as the August 2007 amendment, which incorporated the new requirements of the Anti-Money Laundering and Counter-Terrorism Financing Legislation, and updates to the bankruptcy legislation. The Deed was further updated in June 2008 to reflect changes to the Super Guarantee legislation which took effect from 1 July 2008.

These changes, while important and other than permitted by law, did not, in the Trustee's view, adversely affect any member's or beneficiary's rights or claims to accrued benefits. Members wishing to obtain further details about any of these changes can do so by contacting the REI Super Helpline on **1300 13 44 33**.

### 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.

### Service Providers

The Trustees have appointed a number of specialist service providers to assist with the smooth and professional operation of the Fund. They are:

Investment Advisor and Implemented Investment Manager - Intech Fiduciaries Limited ABN 54 071 808 501

Fund Administrator and Advisor - Mercer (Australia) Pty Ltd  
ABN 32 005 315 917

Fund Accountant and Taxation Advisor - Sharyn Long Chartered Accountants  
ABN 51 713 229 511

Auditor - Ernst & Young  
ABN 75 288 172 749

Bank - ANZ Banking Group  
ABN 11 005 357 522

Custodian - BNP Paribas Securities Services ABN 71 002 655 674

Insurer - MetLife Insurance Limited  
ABN 75 004 274 882

Solicitor - G Banner Consulting Pty Limited ABN 78 079 976 373

### Advice about your super

While the Trustee and the Fund Contact can give you information about your benefit in the Fund, neither they nor your employer can provide you with any advice. If you require any advice about superannuation, you should consult an appropriately licensed financial advisor.

### If you have a problem

Most queries can be sorted over the phone. If you are not satisfied with the response, 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:

The Complaints Officer  
REI Super  
GPO Box 4303  
Melbourne VIC 3001

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 follow-up 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.

If members do not receive a response within 90 days, or are not satisfied with the response, they can then approach the Superannuation Complaints Tribunal for assistance with their dispute.

The Superannuation Complaints Tribunal can be contacted on **1300 780 808**.

### Protecting your privacy

Your Fund holds personal information about you such as your name, address, date of birth, salary and tax file number in order to provide your super benefits. This personal information may be disclosed as necessary to the Fund's administrator and professional advisors, insurers, Government bodies, employers and other parties.

The Fund has a privacy policy that sets out in more detail the way your personal information is handled. If you would like a copy of the Fund's privacy policy, please contact the Fund's Privacy Officer or see our website at [www.reisuper.com.au](http://www.reisuper.com.au).



# If you change jobs

## Take REI Super with you

The Fund has been structured with portability in mind. You can retain your membership, and therefore benefits in the Fund, whilst transferring between employers.

Your existing Death and Disablement insurance cover will continue for a period of 12 months regardless of your employment status.

If you are a current member of REI Super, your new employer can join REI Super as a participating employer by completing:

- > an *Employer Application*; and
- > a *Transfer of Membership Between Participating Employers* form.

These forms can be downloaded at [www.reisuper.com.au](http://www.reisuper.com.au). There are no joining fees!

For a period of up to two 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 you have an account balance over \$1,300, you will be charged the current weekly administration fee.

If you have a benefit from another fund, you can transfer (rollover) 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, subject to a withdrawal fee.

## Eligible Rollover Fund (ERF)

The Superannuation (Industry) Supervision legislation allows the Trustee to pay a member's benefit to an eligible rollover fund 28 days after a benefit becomes payable and if 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'. A member is classified as 'lost' when mail sent to that member is returned unclaimed to the Fund at least twice.

If your account balance was less than \$1,300, or you were deemed as 'lost' during the year, the Trustee will use the discretion provided by the legislation to rollover your benefits into Australia's Unclaimed Super Fund (AUSfund) ERF. Members so affected are notified.

AUSfund is an eligible rollover fund where all accounts are protected. Member accounts transferred to AUSfund continue to receive interest, but no insurance cover is provided.

The ERF can be contacted as follows:

AUSfund  
PO Box 2468  
Kent Town SA 5071

Tel: 1300 361 798  
Fax: 1300 366 233

## Anti-money laundering

Superannuation funds must comply with new rules which have been established to reduce their risk of being used to launder money or finance terrorism. One of the new requirements may require you to provide proof of your identity before any benefits are paid to you. You will be informed if this is the case.

## Preservation

Under Federal Government legislation, 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 together with proof of identity. All superannuation contributions received after 30 June 1999 are preserved.

DATE OF BIRTH	PRESERVATION AGE
Born before 1/7/1960	55
Born from 1/7/1960 to 30/6/1961	56
Born from 1/7/1961 to 30/6/1962	57
Born from 1/7/1962 to 30/6/1963	58
Born from 1/7/1963 to 30/6/1964	59
Born after 30/6/1964	60

# Financial Statements

## Abridged Financial Statements

At 30 June 2008

ABRIDGED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2008		
	2008 \$('000)	2007 \$('000)
<b>ASSETS</b>		
Investments	656,699	726,109
Cash at Bank	11,993	5,802
Sundry Debtors	100	62
Tax Assets	15,366	616
<b>Total Assets</b>	<b>684,158</b>	<b>732,589</b>
<b>Less Liabilities</b>		
Benefits Payable	33	150
Sundry Creditors	1,016	510
Employee Benefits	34	25
Provision for Income Tax	9,533	14,515
Provision for Deferred Income Tax	4	4
<b>Total Liabilities</b>	<b>10,620</b>	<b>15,204</b>
<b>Net Assets Available to Pay Benefits</b>	<b>673,538</b>	<b>717,385</b>

### Represented by:

LIABILITY FOR ACCRUED BENEFITS		
Allocated to Members' Accounts	672,940	711,148
Unallocated Amounts	598	6,237
<b>Liability for Accrued Benefits as at 30 June</b>	<b>673,538</b>	<b>717,385</b>

ABRIDGED OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2008		
	2008 \$('000)	2007 \$('000)
<b>REVENUE</b>		
Net Investment Revenue	(91,442)	95,438
Contributions Revenue	104,726	113,600
Transfers from Other Funds	19,234	22,703
Insurance Proceeds	709	1,057
<b>Total Revenue</b>	<b>33,227</b>	<b>232,798</b>
<b>Less Expenditure</b>		
Contribution Surcharge	41	734
Group Life Premiums	1,802	1,448
General Administration Expenses	4,106	3,155
<b>Total Expenditure</b>	<b>5,949</b>	<b>5,337</b>
Benefits Accrued as a result of Operations Before Income Tax	27,278	227,461
Income Tax Expenses	4,081	22,245
Benefits Accrued as a Result of Operations	23,197	205,216

The financial statements have been audited and an unqualified auditor's report received.



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### Fund Statistics

At 30 June 2008

Net assets: **\$673 m +**  
 Employee members: **32,606**  
 Pensioners: **77**  
 Employer members: **5,123**

MEMBERSHIP BY STATE		
	NUMBER	%
Victoria	12,368	38.0
New South Wales	11,627	35.7
Queensland	3,477	10.7
Western Australia	3,175	9.8
Tasmania	854	2.6
South Australia	376	1.2
ACT	309	1.0
Northern Territory	262	0.8
Overseas	81	0.2
Pensioners	77	0.2
<b>TOTAL</b>	<b>32,606</b>	<b>100.0</b>

BENEFITS PAID		
TYPE	NUMBER	\$('000)
Death (including insurance)	27	1,370
Disablement (including insurance)	7	207
Withdrawal	3,089	41,499
Retirement	686	21,795
Pensions	5	2,173
<b>TOTAL</b>	<b>3,814</b>	<b>67,044</b>

REI Super supports the Real Estate Institutes:



DISCLAIMER: This annual report has been prepared by the Trustee to meet its legislative obligations under the Corporations Act. The information contained in this annual report does not take account of the specific needs, or personal or financial circumstances of any persons. Readers should obtain specialist advice from a licensed financial advisor before making any changes to their own superannuation arrangements or investments. You should also read carefully the Fund's Product Disclosure Statement.

The terms of your membership in the Fund are set out in the Fund's trust deed and, should there be any inconsistency between this annual report and the Fund's trust deed, the terms of the Fund's trust deed prevail. While all due care has been taken in the preparation of this report, the Trustee reserves its right to correct any errors and omissions.

All statements of law or matters affecting superannuation policy are up-to-date as at 30 June 2008.

This document contains general information about investments and investment performance. Please remember that past performance is not a guide to future performance.

REI Superannuation Fund Pty Ltd - ABN 68 056 044 770, AFSL No 240569, RSE Licence L0000314. REI Super ABN 76 641 658 449, RSE Registration R1000412.

**1300 13 44 33**

Between 8.30am and 5.30pm AEST (Local call cost within Australia - calls from mobile phones may cost more)

Fax: **(08) 8110 3495**

Email: **reisuper@mercero.com**

Website: **www.reisuper.com.au**

Post: REI Super, GPO Box 4303, Melbourne VIC 3001



**contact  
us**