

Let's celebrate!

It's been a good year for your super

Annual Report 2013



The Industry super fund for property professionals

Chairman's message

“REI Super has delivered some of its highest ever investment returns for members in 2012-13.”

On behalf of the Board of Trustees I am pleased to present the REI Super Annual Report for 2013.

REI Super has delivered some of its highest ever investment returns for members in 2012-13. This has been achieved during a year of market uncertainty. The Trustee Super Balanced option, in which the majority of our members invest, achieved a net return of 14.80%. Our Super Growth option achieved a net return of 18.45% and Super Stable and Super Cash options achieved 8.74% and 2.64% respectively, above the inflation rate of 2.39%.

In particular, the strong performance of our international shares (25.64% for the year), Australian property (22.36%) as part of our diversified portfolio, ensured members retirement savings continued to grow over the past year.

The Fund also invests in cash and fixed interest (bonds) as part of our investment strategy, which provided a degree of capital preservation for members and offset investment risks by other more volatile (growth-oriented) assets.

Super is entering an exciting phase, although we are presently witnessing an increase in volatility. Selecting the right investments and intelligently combining them into an appropriate portfolio requires a high degree of knowledge, skill and expertise, as never before.

I am pleased to be able to report such strong investment results to our members against this backdrop.

New investment option

As Chairman, I am also pleased to announce that from October 2013 onwards, REI Super will offer members a new investment option 'Premium Income'. This is specifically designed to provide a measure of growth, with a focus also on delivering stable income returns for members who may be approaching or are in retirement.

As your industry super fund we are committed to providing superior superannuation for our members.

Your Board, Fund staff and service providers have worked tremendously hard over the past years to deliver to you superior service and results. On behalf of the Board I thank our CEO and his team for their diligence and dedication.

Yours faithfully,



Bill Woolcock
Chairman



CEO's report

“MySuper...measures are designed to enhance transparency, security and value of super for Australians...”

MySuper

MySuper is the new superannuation regime that will come into effect from 1 January 2014. All employers must use a default super fund (the fund into which they make superannuation contributions for all staff who do not make a choice of fund) that is MySuper authorised.

REI Super is MySuper authorised and is also an approved Fund listed in both the Real Estate and Clerical Modern Awards.

Your REI Super account can be taken by members from employer to employer regardless of industry.

Employers who would like to learn more about these new super rules should contact the Fund.

New developments and services

Along with the new investment option mentioned in the Chairman's message, REI Super has introduced a mobile friendly member account area to assist members in accessing their account online.

Our online consolidation tool and insurance application process further enhance our services to assist members.

We have also introduced a super search service. We can locate both your lost super and other super accounts and help you combine them into your REI Super account. This service is free and available to all members.

Advice when you need it

All REI Super members can speak to a qualified, licensed financial adviser over the phone for assistance with their superannuation along with insurance, investment choice, personal contributions and understanding their investments. This is a free service.

In addition, I invite members to attend one of our free seminars, held regularly across Australia on topics as varied as retirement planning, understanding investments and growing your super. Details of seminars are available online at reisuper.com.au and also in our e-newsletters, which members and employers can subscribe to online.

Members can also make a personal appointment with a financial adviser. I encourage members to read more about our financial planning services or contact us if they would like to take advantage of these services as part of their REI Super membership.

Helping employers manage their obligations

REI Super offers employers a free clearing house and other electronic payment methods to make administration fast, simple and efficient.

We are also committed to providing information and advice to help you understand your obligations.

Our website, e-newsletter and other publications are resources you can use to remain informed of the super rules and obligations that affect you.

Employers can also speak to a Fund representative if they have a particular question.

We invite all employers in the real estate industry to use REI Super as their default super fund and to partner with us in providing their staff with an impressive range of superannuation, insurance and other benefits.

Finally, as one of the oldest industry superannuation funds in Australia we have a long, proud history of serving our members. REI Super has always been, and is run only to benefit members, and has provided strong investment returns, with low fees and paid no commission to financial advisers or insurance companies.

We hope you find the contents of this report informative and relevant.

Regards,



Mal Smith
CEO



REI Super is MySuper ready!

'MySuper' is part of a larger set of changes to the superannuation system that are collectively known as 'Stronger Super'.

These are some of the most significant reforms to the superannuation industry in almost 20 years.

REI Super already operates essentially as a MySuper fund in terms of cost, efficiency, and other basic features such as not paying commissions to financial advisers. We have received authorisation from APRA, the superannuation regulator, to offer a MySuper product.

What is MySuper?

From 1 January 2014 MySuper will replace all existing default funds – that is, the nominated super fund into which employers pay super for their employees who do not select a superannuation fund.

REI Super's current default Fund option is our 'Trustee Super Balanced' option. This will become our MySuper product from 1 October 2013. New members, unless using one of our other investment options, will be placed into the MySuper option.

For existing members, your employer compulsory contributions will continue to be made into your REI Super account as normal. There will be no change to your fees, investment portfolio or insurance arrangements.

Prior to 1 July 2013, legislation required superannuation funds to not charge direct administration fees to members with balances under \$1,000 where their investment earnings were less than the administration fee. This is called Member Benefit Protection. Under new legislation, the Fund can no longer provide Member Benefit Protection for accounts with balances under \$1,000, effective 1 October 2013. This means that any administration charges incurred will be debited from your account.

What about fees and insurance cover?

There will be no difference in the fees paid between REI Super MySuper and the Fund's Choice members. In addition, the level of insurance cover and premiums paid by MySuper and Choice members are also identical.



Employers and MySuper

- > To make REI Super your default super fund, you need to register. Simple, free and easy.
- > Already registered? Simply continue to use REI Super as your default super fund.
- > If you have any questions please [contact us](#)

REI Super – your Industry Super Fund

REI Super is one of the oldest industry-specific super funds in Australia. Since 1975 we have been the fund of choice for those working in real estate.



Low fees

Because REI Super is run only to benefit members, our fees are generally much lower than most retail funds. The fees you pay can greatly affect your final retirement payout. Over a lifetime, these figures could add up to thousands of dollars more for an industry super fund member.

A study by SuperRatings in 2012, based on existing fee structures, concluded that REI Super would return on average \$77,609 more (in today's dollars) than the average retail super fund over a 40-year working life.*



Run only to benefit members

REI Super is an industry super fund, run only to benefit members, and does not pay commissions to financial advisers, agents or insurance companies. There are no dividends to pay to shareholders.



Strong performance over the last ten years*

On average, industry super funds have consistently produced stronger returns for their members than retail super funds run by banks and insurance companies. Industry super fund members have also paid less in fees to achieve this.



Low fees

Run only to benefit members

Strong performance

* Comparisons modelled by SuperRatings based on its Fund Crediting Rate Survey, commissioned by ISN Pty Ltd ABN 72 158 563 270 Corporate Authorised Representative No. 426006 of Industry Fund Services Ltd ABN 54 007 016 195 AFSL 232514. Compares annual average returns of balanced options of retail funds in the Fund Crediting Rate Survey with annual average returns of balanced options of 16 Industry SuperFunds.

Investment market report

REI Super's Trustee Super Balanced option has delivered an impressive 14.80% for 2012/13, cementing four consecutive years of positive returns, averaging 9.25% p.a.

Economic and market environment

The resolve of central banks globally to lift growth continued to fuel market strength and investor confidence in 2012–13. Japan joined the ranks of the US and Europe in printing record amounts of money (known as quantitative easing) in an ambitious drive to promote economic growth.

The confidence boost resulting from these bank interventions drove markets to new highs in three consecutive quarters, continuing into the early weeks of May.

From mid-May, concerns about China's slowing growth and the withdrawal of stimulus in the US resulted in a sell-off of equity and bond markets. Despite these market setbacks, double digit returns were achieved across equities, and all asset classes finished the year in the black, although interest rates and bond yields worldwide remained at record lows. Bond sectors marginally outperformed cash.

Investment strategy and performance

In terms of market performance, international shares led the charge with 25.64% net return for the year. Australian listed property, with a net return of 22.36%, was another standout performer, followed closely by Australian shares returning 17.46% (net) for the year.

The stellar returns noted above, however, masked the fact that the level of volatility in investment markets remains high and the future is uncertain. More than ever before, active and skillful investment management is required to interpret the information coming from markets to successfully navigate a course to add value

to our members, while at the same time controlling downside risk.

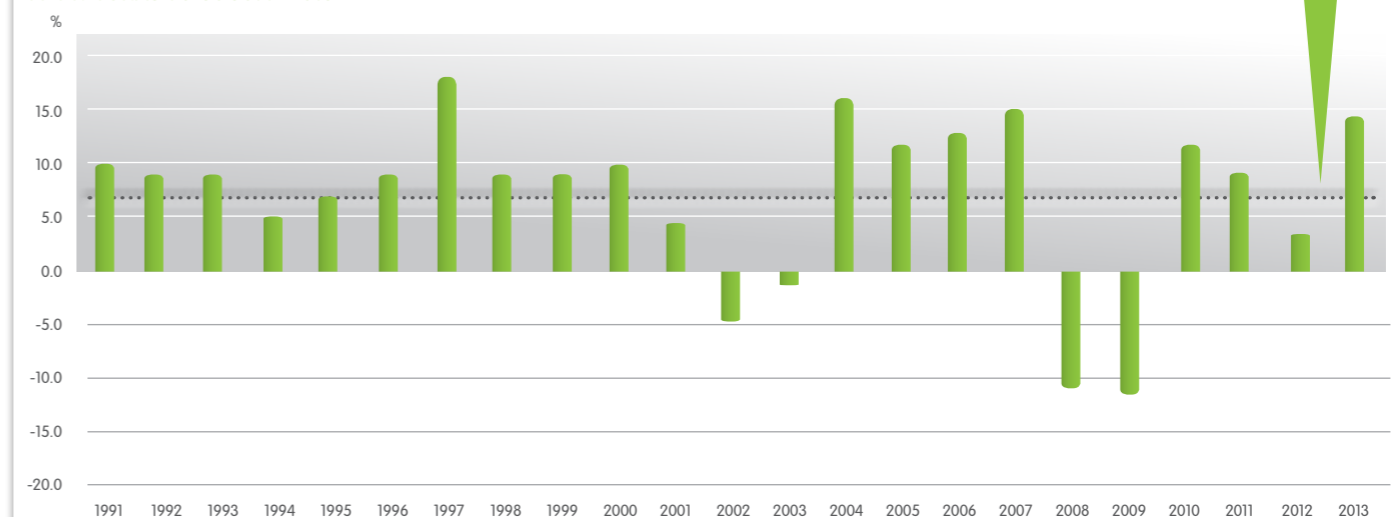
As investors became more optimistic and seemed to overlook key economic responsibilities, REI Super monitored key indicators closely, and we became increasingly cautious. For example, on the basis of having a lack of concrete evidence of a genuine underlying recovery, the Fund favoured lower risk equity investments, contrary to the market's general risk appetite.

Given the strong run of markets in the second half of the year, REI Super anticipated a possible market correction and sold down less attractive share holdings, especially in Australian and US equity markets, into cash to protect our position.

The strategy pursued was to strike the optimal balance that delivers attractive returns for members, yet also ensures that a certain degree of capital protection is in place if the market falls. In addition, the strategy is designed to ensure the portfolio is well positioned to pursue future opportunities as they arise.

Our growth investments have focused on assets that offer greater long term growth potential with lower levels of risk in unsteady markets, such as Australian listed property and global infrastructure.

REI SUPER TRUSTEE SUPER BALANCED OPTION
NET RETURNS TO 30 JUNE 2013



6.74% pa average return over 23 years

Past performance does not guarantee future returns, and investment returns of one year should not be relied upon as any guide to future performance.

Investment market report continued

In response to the record low bond yields, the Fund maintained exposure at lower levels than usual, concentrating on Australian government bonds, which are expected to be less vulnerable to the market repercussions anticipated when the central banks start to wind back their interventions.

By spreading investments across different growth asset classes, and keeping a diversified range of defensive investments such as cash, fixed interest and bonds, our investment managers can better manage the risk of a market downturn, while also being in a position to benefit from market gains. This diversification balances the need to protect members' capital, whilst also carefully and adroitly maximising opportunities for growth.

Investment outlook

Following strong returns in 2012-13, equity markets are expected to remain well placed for further (albeit more modest) growth in this 2013-14 financial year. Continued volatility in markets is also likely, especially as the US Federal Reserve begins to wind back its large financial stimulus package. As such, we will continue to maintain a fairly cautious approach.

REI Super's Investment Managers

REI Super's investment consultant, Ibbotson Associates Australia Limited (Ibbotson), ABN 54 071 808 501, appoints specialist investment managers for each asset class, and reviews these appointments continually in conjunction with the Fund Trustee. REI Super agrees strategic allocation benchmarks for each investment option in consultation with Ibbotson.

Investment Managers

The following managers had investment mandates terminated in 2012-13:

- > AQR
- > CBRE Clarion
- > ME Bank

The following managers were appointed for new mandates in 2012-13:

- > ING Clarion
- > Omega Global Investors

Investment Managers as at 30 June 2013

Australian Shares

- > Allan Gray Australia
- > Dimensional
- > Ibbotson High Alpha Trust
- > JCP Investment Partners
- > Northcape
- > Omega
- > Platypus
- > Vinva
- > Zebra

International Shares

- > Altrinsic
- > Axiom
- > Marathon
- > Omega Global Investors
- > Sands Capital

Australian Property

- > Omega Global Investors

International Property

- > ING Clarion

Australian Bonds

- > Omega

International Bonds

- > Colchester
- > Omega Global Investors
- > PIMCO

Global Inflation Linked Bonds

- > Omega Global Investors

Alternatives

- > Alternative Beta Partners
- > Ashmore
- > Barclays
- > Barwon
- > Omega

Unlisted Property

- > ISPT

Cash

- > Omega Global Investors

Investment results

2012-13 has seen another year of strong returns for REI Super members.

The Trustee Super Balanced option (the default option most members are invested in) did very well in 2012-13.

Australian Shares

REI Super's Australian Shares as part of our investment portfolio achieved a very healthy 17.46%. The mining sector struggled and investors sought out more defensive sectors such as telecommunications, healthcare and property trusts.

REI Super's Australian Shares achieved its investment objective with a five year average net return of 4.75% p.a., significantly outperforming its benchmark, the S&P/ASX300 Accumulation Index, by 2.43% p.a.

International Shares

REI Super's International Shares investment returned a net result of 25.64% for the year and an average of 7.46% p.a. over five years.

Property

Listed property trusts have been the stalwarts of investment markets over the year, offering one of the more stable returns of the growth asset classes. REI Super's investment in Australian property returned an outstanding net return after fees and tax of 22.36% for the year, and our Global property investment returned a net return of 13.52%.

Fixed interest

REI Super's Fixed Income investments returned 3.53% for the year.

14.8%
pa
net return

For the Trustee Super Balanced option
(where 90% of members invest)

Investment results for year ended 30 June 2013

Investment Option	1 year (%)	3 years (% p.a.)	10 years (% p.a.)	Commencement date
REI Super Fund				
Super Growth	18.45	9.61	6.82	1 July 1998
Trustee Super Balanced	14.80	8.65	6.55	1 July 1990 [#]
Super Stable	8.74	6.22	n/a	1 November 2003
Super Cash	2.64	3.55	4.13	1 July 1998
REI Super Elite Options				
Australian Shares	17.46	7.28	n/a	31 July 2006
International Shares	25.64	11.15	n/a	31 July 2006
Australian Property	22.36	10.31	n/a	31 July 2006
Global Property	13.52	10.87	n/a	31 July 2006
Fixed Income	3.53	6.58	n/a	31 July 2006
REI Super Pension				
Super Cash	3.13	3.99	n/a	31 October 2006
Super Stable	9.99	7.04	n/a	31 October 2006
Trustee Super Balanced	16.57	9.76	n/a	31 October 2006
Super Growth	20.73	10.74	n/a	31 October 2006
Australian Shares	18.51	8.72	n/a	31 October 2006
International Shares	30.04	13.48	n/a	31 October 2006
Australian Property	20.76	11.86	n/a	31 October 2006
Global Property	14.21	15.39	n/a	31 October 2006
Fixed Income	4.04	7.25	n/a	31 October 2006

[#] Using comparable investment returns.

All returns are quoted net of fees and tax. Past performance is not an indication of future performance.

Your investment options

With REI Super, you can choose to invest in one, or all of our four investment options.

	Super Growth	Trustee Super Balanced	Super Stable	Super Cash
Overall objective:	To provide members with a top-performing growth-style diversified investment option.	To provide members with a top-performing growth-oriented diversified investment option.	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.
Investment objective:	To earn a rate of return, after tax and fees, that exceeds CPI by at least 4% per annum over rolling 10-year periods.	To earn a rate of return, after tax and fees, that exceeds CPI by at least 3% per annum over rolling 7-year periods.	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 over rolling 3-year periods.
Risk profile:	<p>High</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, and has the potential for the highest return over the long term.</p> <p>However returns will vary, and are expected in some years to be low or negative.</p>	<p>Medium to High</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, with some defensive assets. It has potential for high returns over time, due to the significant proportion of growth assets.</p> <p>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>Low to Medium</p> <p>The Super Stable investment option is designed for members who require more stable returns. This option invests mainly in interest-bearing assets, with some growth assets. Returns have the potential to be higher than just investing in cash investments.</p> <p>Returns will vary, and there is still a slight possibility of a negative return in any one year, but are likely to be more stable than for options with a higher proportion of growth assets.</p>	<p>Very Low</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>
Investment mix:				
KEY:	<ul style="list-style-type: none"> ■ Australian shares ■ International shares (unhedged) ■ International shares (hedged) ■ Australian property securities ■ International property securities ■ Property (unlisted) ■ Australian bonds ■ International bonds ■ Inflation linked securities ■ Alpha strategies ■ Global trading strategies ■ Diversified alternatives ■ Global infrastructure ■ Cash ■ Conservative growth ■ Growth 			

* Allocations shown above are actual asset allocations as at 30 June 2013 and may vary by +/-15%. The figures in brackets show the Fund's neutral or long term Strategic Asset Allocation position.

Your Elite investment options

For members with an account balance over \$100,000, there are five additional single asset class investment options to choose from.

	Australian Shares	International Shares	Australian Property	Global Property	Fixed Income
Overall objective:	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 interest investment.
Investment objective:	To earn a rate of return (gross of fees and tax) above the 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 the 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 the benchmark over rolling 5-year periods within a clearly defined risk profile. 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 the benchmark over rolling 3-year periods. The benchmark is 50% UBS Government Bond (All Maturities) Index, and 50% Lehmann Global Aggregate (hedged into \$A) Index.
Risk profile:	High 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.	High The International 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 (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.	High The Australian Property 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.	High The Global Property 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.	Medium The Fixed Income 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 a negative return in any one year, but are likely to be more stable than options with a higher proportion of growth assets.
Investment mix:					
KEY:	Australian shares	International shares (unhedged) International shares (hedged)	Australian property securities	International property securities	Australian bonds International bonds

* Allocations shown above are actual asset allocations as at 30 June 2013 and may vary by +/-15%. The figures in brackets show the Fund's neutral or long term Strategic Asset Allocation position.

Investment choice

REI Super members can chose how their super is invested

Members can select from four investment options, including three diversified investment options (with Elite members having an additional five single-sector options). Diversification provides flexibility to remain invested in key areas of opportunity, whilst also managing to reduce risk and preserve capital. The Trustees can vary the asset allocation between sectors within each diversified portfolio by up to +/-15% to actively manage the option's risk/return characteristics.

Members can nominate where their current balance, future contributions, ongoing or lump sums are allocated if desired.

Choosing an investment option

To get the most out of your super, you need to choose the investment option which best suits your investment horizon, tolerance of risk and long-term goals.

Members can learn about each investment option's long-term objective and risk profile online, and also use the [online risk profile quiz](#) to assist them in determining the right investment option to suit their needs.

The majority of members are invested in the Trustee Super Balanced option. This is the default option, where members are invested if they do not make an active investment choice. This option contains a diversified exposure to both growth and defensive assets.

Timing markets versus time in the market

Even investment experts find it difficult to pick market movements, and missing just a few productive days in volatile markets could have consequences for your retirement balance.

Assets with higher short-term volatility can have longer-term superior returns, but they may fluctuate more on a year-to-year basis.

In times of uncertainty, the long-term objective of super is important.

A conservative investment option may be the right choice in certain circumstances. That is likely to apply to people who have immediate or short-term commitments, and may not be investing their super for more than the short term. Their main objective is therefore capital preservation.

In all circumstances, we recommend that you take the time to learn about the different investment options and seek professional advice where necessary, such as from the REI Super financial advisers.

Investment choice

Members can switch their investment option online.

1. Login to your account at reisuper.com.au using your member number and PIN.
2. Click on 'Your investments'
3. From here, you can view your investment mix or change your investment choice.

Our Helpline can assist you in explaining the different investment options.

If you are thinking of switching your investment option, we suggest that you consider the following:

Understand your investment

Read about each investment option's short-term and long-term performance online, and learn about the investment objectives and strategy for each option.

Get advice

Speak to our Helpline team on **1300 13 44 33** if you need help understanding the different investment options.

Consolidate your super

By combining your other super funds into your REI Super account, you can save money on duplicate fees, insurance premiums and other charges. It also makes your super easier to manage.

Approaching retirement?

There are a number of things to consider when planning for retirement. Consider speaking to one of our Helpline team or financial advisers, or attending one of our **free seminars** for members on planning for retirement and understanding investments.

Changing jobs? Take us with you.

Regardless of which employer or industry you go to, you can take REI Super with you. Your super and insurance cover benefits can remain in place, and we can continue to accept your new employer contributions.

As a current member of REI Super, your new employer can start making contributions to your account – so you need to provide them with your REI Super account details.

Simply provide your new employer with a [choice of fund form](#) or your REI Super account details.

If you have super accounts with other funds, you can combine (consolidate) your super into your REI Super account. There are no charges to roll your other super into REI Super. You can do this [online](#) or [download a form](#) from our website.

If you are not continuing in employment and your REI Super account has over \$1,000, you are able to remain in the Fund. The normal weekly administration fee applies. Your existing Death and Disablement cover will continue for a period of 12 months, regardless of your employment status. Contact the Fund for details.



REI Super Pension and Transition to Retirement

If you are 55 or older, you can access your super with an REI Super Pension, whether you're working, easing into retirement, or enjoying life after work.

Key benefits

- ✓ No joining fee
- ✓ Low ongoing fees, and no commissions paid to financial advisers
- ✓ Online account access
- ✓ Personalised customer service
- ✓ Access to other member benefits such as financial planning
- ✓ All investment earnings are tax-free
- ✓ Withdrawals are tax-free after age 60
- ✓ It is treated favourably for Centrelink Income Test purposes
- ✓ In the event of your death, your remaining account balance will be distributed to your beneficiaries.

What is an REI Super Pension?

Also known as an 'account based' pension, a super pension allows you to receive regular payments similar to a salary over a period of time from your account, while your funds remain invested with REI Super.

Retired?

If you are fully retired and have reached your super preservation age (currently 55), then you can open a super pension account in addition to making lump sum withdrawals.

How does a super pension work?

To be eligible to start an income stream, you must have reached your preservation age.

We recommend that members have a minimum starting balance of \$50,000 when establishing a pension. If your balance is under this amount, you may consider increasing it by consolidating other super funds into your REI Super account, or adding voluntary contributions. Please [contact REI Super](#) to discuss your financial needs.

You can choose your [pension payment amounts and frequency](#) and can change these as your circumstances change, provided that your new amount falls within government limits.

When you have fully retired or reached age 65, you will have the option of making lump sum withdrawals from your pension account at any time, in addition to receiving your regular payments.

REI Super will look after the administration and end-of-year reporting – you simply need to indicate your drawdown requirements.

Still working?

You can choose a Transition to Retirement strategy, and start drawing down your super if you are still working but have reached your preservation age.

REI Super Pension and Transition to Retirement continued

How does Transition to Retirement work?

A Transition to Retirement strategy gives you flexibility in the way in which you approach retirement from the workplace.

It allows you to roll some or all of your super into an REI Super Pension account and draw on it as a pension (income stream) to supplement your income (subject to regulated thresholds).

How do I get started?

We recommend that you get professional financial advice to help decide what is suitable for your individual needs. Contact the REI Super Helpline on **1300 13 44 33** to speak to one of our financial advisers.

Retirement checklist

To help get you started

Retirement may be a long way off, but as you can expect to spend 25% of your life in retirement, the sooner you start planning, the better off you will be. This simple checklist is a starting point to give you an idea of what you have or haven't already considered.

Before you retire

- Have you decided on a retirement date?
- Do you know how much money you need to deliver the retirement income you want?
- Do you know what your Centrelink entitlements are?
- Do you know where all your super is?
- Have you spoken to REI Super about your retirement needs?

In retirement

- Do you know what you plan to do with your time once you retire?
- Do you intend to work part-time?
- Do you need to speak to REI super about changed circumstances?

Call REI Super on 1300 13 44 33 to speak to a financial adviser.

Financial planning

We provide financial advice in several ways:

- ✓ Limited personal advice – over the phone
- ✓ Full financial plan – in person (Mercer)
- ✓ Full financial plan – in person (Elite)

REI Super offers all members access to financial advice, over the phone and in person.

Limited personal advice – by phone

All REI Super Members are able to obtain limited financial advice on their super account by calling the REI Super Helpline on 1300 13 44 33. Our financial advice team can speak to you about:

- > making personal contributions to super - pre or post tax
- > how to calculate your retirement requirements
- > whether you are in an appropriate investment choice for you.

If you require more comprehensive personal financial advice, you will be referred to an adviser with Mercer, our chosen service provider for a full financial plan. Financial planning is offered to REI Super members through Mercer, the Fund's chosen financial planning

service provider. Mercer's financial advisers are licensed to give advice on all financial matters, including:

- > Retirement planning, including Transition to Retirement
- > Pensions and Super Income Streams
- > Superannuation
- > Savings strategies and investments
- > Managing debt
- > Insurance.

What is the process?

Call REI Super **1300 13 44 33** and ask for financial advice. Your details will be sent to an adviser who will contact you for an appointment.

Meet with a financial adviser.

The initial appointment is free - no charge, no obligations.

Receive a quote.

Mercer charges a fixed up-front fee – there are no commissions or other hidden costs.

Decide if you want to proceed.

If you do, Mercer will then develop your financial plan and deliver it to you within six weeks of your initial consultation.



Insuring yourself through super

What would happen to the people you care about if something happened to you?

REI Super has you covered!

If, through illness or injury, you were unable to work for an extended period of time, who would pay your mortgage and bills?

One of the most important benefits of superannuation is its ability to provide cost-effective personal insurance.

REI Super can cover you for death, total and permanent disablement, or salary continuance (including commission income).

REI Super offers members:

- > Up to \$2,080,000 Death & TPD Insurance
- > Up to \$20,000 per month Salary Continuance Insurance
- > Premiums paid for out of your superannuation contributions, meaning that there is no impact on your cash flow.

Best of all, as an industry super fund, REI Super pays no commissions to insurance companies, agents or financial advisers, meaning that our premiums are cost-effective. Apply online simply by logging into your account at reisuper.com.au.



REI Super Insurance		
Death Insurance	Total and Permanent Disablement Insurance	Salary Continuance Insurance
<ul style="list-style-type: none"> > Cover for death is available to all REI Super members* > Up to \$2,080,000 cover available > Up to \$624,000 cover automatically accepted on joining the Fund** > Insured value cover based on age# > Available to age 65# > Payable as a lump sum to your beneficiaries if you die > Terminal illness early payout available > Life event cover increases for when your circumstances change 	<ul style="list-style-type: none"> > Up to \$2,080,000 cover available > Up to \$624,000 cover automatically accepted on joining the Fund** > Available to age 65 > Payable as a lump sum when it is apparent that, due to illness or injury, you will never be able to return to work > Life event cover increases for when your circumstances change 	<ul style="list-style-type: none"> > Available to all members working 15 hours or more per week > Insure up to 85%# of your three-year average income (including commissions), to a maximum of \$240,000 p.a. > Available to age 65 > Payments commence after 90 days off work due to illness or injury† > Payments continue for up to two years

* Refer to the REI Super PDS. ** Depending upon age at commencement. # Including 10% compulsory employer SG contributions. † Additional options of 30 or 60-day waiting periods available to REI Super Elite members.

REI Super Elite More choice

REI Super Elite is available to all members with an account balance over \$100,000 and provides a wide range of investment choice and flexible insurance options.

There comes a time when super becomes more important to you – where you are more likely to notice where it is, and how well it is working for you.

At this time, REI Super is able to provide you with additional resources to ensure that your benefits are tailored to meet your needs. Transferring to REI Super Elite entails no additional cost or obligation.

REI Super Elite provides:

- > 3 diversified portfolio investment options
- > 6 single sector investment options
- > The flexibility to select any combination of options – and switch at any time, without a switching fee

- > Salary Continuance Insurance, with a choice of 30, 60 or 90-day waiting periods
- > Extensive Death and Total and Permanent Disablement Insurance – you can choose a fixed or age-related insured value
- > Retirement pension options to suit your retirement needs
- > Personal financial advice to tailor your REI Super Elite membership.



For more information on REI Super Elite

Download a copy of the **REI Super Elite Product Disclosure Statement** and **Member Information Booklet** or call the Helpline on **1300 13 44 33** for more information.



Growing your super

Take REI Super with you when you change jobs

REI Super is the industry super fund for property professionals. When you leave employment with your current employer, you can continue to enjoy all the benefits of being a member with REI Super, regardless of which industry you work in.

Pay less in fees – combine your super into your REI Super account

1. Go to our online **consolidation tool** and complete the details, including the name and account number of your other funds.
2. Print off the completed form and attach a certified copy of your ID.
3. Send it to us, and we'll take care of the rest!

There are no fees charged by REI Super for rolling in from other funds. You should check with your other funds if there are any exit fees applicable, or insurance cover that may cease upon rollout.



Free money from the government!

The Government co-contribution scheme provides a super top-up of up to \$500 from the Government into your super account to help boost your super savings.

You may be eligible if you:

- > earn less than \$46,920 in 2012-13
- > make a personal contribution (not salary sacrifice) into your super account
- > are a permanent resident aged less than 71
- > earn at least 10% of your income through eligible employment, which may include self-employment
- > lodge a tax return.

You can make a personal contribution using BPAY, cheque or via employer deduction.



Salary sacrifice – a super strategy

Salary sacrificing is the simple way to grow your super and save on tax.

If you earn over \$37,000 pa, salary sacrificing could be a great, tax-effective way to grow your super. Your contributions will be taxed at a lower, concessional rate, and your taxable income may also be reduced.

To see if salary sacrifice can work for you, enter your details in our **Salary Sacrifice Calculator**.

Typically, contributions you make to your super are made after you have paid income tax, at a marginal tax rate of up to 45%. Salary sacrificed contributions, on the other hand, are:

- > taxed at 15%, and
- > taken directly from your before-tax salary, and not considered part of your taxable income (however, you should be aware that amounts you salary sacrifice could be counted as income for other purposes).

The higher your income, the more money you could save.

Important: Concessional contributions (including salary sacrifice, SG contributions and other employer contributions) are capped at \$25,000 pa. (\$35,000 for those aged over 60). If you exceed the cap in any given year, the excess contributions will be taxed at a rate of 46.5%. Concessional contributions under the cap are taxed at 15%.

Managing your Fund

The REI Super board comprises an Independent Chairperson, Independent Director, and eight directors elected by the members in accordance with the Fund's election rules.

Independent Chairperson

- > Bill Woolcock

Directors at as 30 June 2013 were:

- > Ian Armstrong
- > John Bailey
- > Jonathan Blocksidge
- > Helen Cunningham
- > Emery Feyzeny (independent Director)
- > John Greig
- > Michael Kumm
- > Neville Pozzi
- > Beth Stratfold

The Fund also has six standing committees, comprising a number of Board members, to focus on particular issues of importance to the Fund.

Directors are required to undertake mandatory ongoing education and training.

REI Super's Directors are committed to further education and strategic analysis outside their direct management duties of Board meeting attendance, to ensure that the Board is best placed to evaluate the challenges and opportunities leading to the sound management of members' benefits.

Directors are expected to attend quarterly Board meetings, as well as various other meetings, committees and conferences, and to consider certain matters out of session as required.

Directors' and Chairperson's remuneration was as follows:

	2012-13	2011-12
\$0-24,999	0	2
\$25,000-49,999	9	9
\$50,000-74,999	0	1
\$75,000-100,000	1	0

These amounts are benchmarked against suitable industry comparisons.



Back row: John Bailey, Helen Cunningham, Michael Kumm, Beth Stratfold, Neville Pozzi, John Greig.
Front row: Emery Feyzeny, Jonathan Blocksidge, Bill Woolcock, Ian Armstrong, Mal Smith.

Managing your Fund continued

Board Committees as at 30 June 2013



Back row: John Bailey, Helen Cunningham, Michael Kumm.
Front row: Jonathan Blocksidge, Neville Pozzi.

Administration Committee

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



Back row: Michael Kumm, Helen Cunningham.
Front row: Mal Smith, Jonathan Blocksidge.

Death and Disablement Benefits Committee

The Death and Disablement Benefits Committee assists the Board by handling death and total and permanent disablement claims between meetings.



Back row: Beth Stratfold, John Greig.
Front row: Emery Feyzeny, Ian Armstrong, Jonathan Blocksidge.

Compliance and Audit committee

The objectives of the Committee are to ensure that the internal control framework of the Fund meets the needs of REI Super through oversight of the compliance and audit functions, to ensure the objectivity and reliability of financial reports, and to assist the Board in understanding its obligations and ensuring that REI Super is compliant with all legislative and other government obligations.

In particular, the Committee's objectives include a focus on assessing compliance with the conditions of the Fund's RSE and AFSL Licences.

The Fund is managed by the Trustee company REI Superannuation Fund Pty Ltd ABN 68 056 044 770.

The Fund began in 1975 as a service to all staff and members of the Real Estate Institute of Australia, and in 1991 was made available to the real estate industry across Australia, with the introduction of the superannuation guarantee and industry awards.

The Fund has a set of rules applying to the appointment and removal of Directors.

Managing your Fund continued



Back row: John Bailey, Helen Cunningham, John Greig.
Front row: Beth Stratfold, Neville Pozzi.

Marketing Committee

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



Back row: Michael Kumm, Mal Smith, John Greig.
Front row: Ian Armstrong, Emery Feyzeny, Bill Woolcock.

Investment Review Committee

The Investment Review Committee oversees the operation of the Fund's investment arrangements, with a particular focus on the Implemented Investment Consultant.



Back row: Michael Kumm, , Neville Pozzi..
Front row: John Bailey, Mal Smith.

Governance Committee

The Governance Committee oversees the Board's internal processes and operations, in accordance with industry best practice.

Fund information

Trust Deed

The Trust Deed is a legal document governing how the Fund operates and what benefits can be paid to members. During 2012-13, the Trust Deed was amended to take account of recent legislative changes, including Stronger Super.

Trustee Indemnity Insurance

The Trustee has arranged a policy for Trustee Indemnity Insurance cover, which is designed to provide added protection for the Fund's assets.

Service Providers

The Trustee has appointed a number of specialist service providers to assist with the professional and smooth operation of the Fund:

- > Fund Administration: Mercer Outsourcing (Australia) Pty Ltd
- > Investment Adviser: Ibbotson Associates

- > Taxation Agent and Adviser: Sharyn Long Chartered Accountants
- > External Auditor: Ernst & Young
- > Bank: ANZ Banking Group
- > Custodian: BNP Paribas
- > Insurer: MetLife Insurance Limited
- > Solicitor: G Banner Consulting Pty Ltd
- > Financial Advisers: Mercer Financial Advice (Australia) Pty Ltd
- > Internal Auditor: Pricewaterhouse Coopers

Fees and other costs

The costs of running the Fund are managed carefully

Administration fees are deducted from members' account balances each month. In addition, employer and pre tax member contributions (such as salary sacrifice) are subject to contributions tax, which is deducted from your account.

Investment management fees are paid to the investment managers for managing the Fund's assets, and these vary according to the investment option selected.

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 \(PDS\)](#) for more information.

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.

The buy/sell spread is a percentage of the amount involved (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 following table. This fee is additional to the fees and costs detailed in the [Fees table](#).

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	0.22% (22 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)

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 also apply, depending on the asset and the length of time it is owned. Income tax paid by the Fund in 2012–13 was \$22.6 million (2011-12: \$11.8 million).

As the Government's superannuation regulator, the Australian Prudential Regulation Authority (APRA) charges each superannuation fund a fee to fund its activities and provide supervision to the industry. During the year, REI Super paid \$231,000 in fees to APRA.

The Trustee estimates that the cost of complying with the Government's Stronger Super measures (internal and external costs) was in the order of \$200,000 to \$300,000 during the 2012-13 financial year (0.02%-0.03% of the Funds assets).

Insurance fees

The cost of insurance premiums is also passed on to members by deduction from their accounts. Please refer to the Fund's [PDS](#) for more details.

Fee changes

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

Financial statements

Net assets: \$993M
Membership: 30,852

	2013	2012
	\$ ('000)	\$ ('000)
ASSETS		
Investments	980,381	836,283
Cash at bank	9,806	9,417
Sundry debtors	745	881
Tax assets	7,395	18,125
Total Assets	998,327	864,706
LIABILITIES		
Benefits payable	–	4
Sundry creditors	1,351	2,440
Employee benefits	117	102
Provision for income tax	4,205	4,305
Total Liabilities	5,673	6,851
Net Assets Available to Pay Benefits	992,654	857,855
Represented by:		
Liability for Accrued Benefits		
Allocated to Members' Accounts	986,466	852,683
Unallocated Amounts	3,652	2,010
Operational Risk Reserve	2,536	3,162
Liability for Accrued Benefits as at 30 June 2013	992,654	857,855

	2013	2012
	\$ ('000)	\$ ('000)
REVENUE		
Net investment revenue	136,305	18,508
Contributions revenue	89,309	87,912
Transfers from other funds	16,148	11,094
Insurance proceeds	2,995	2,130
Group life rebate	–	–
Other income	2	1
Total Revenue	244,759	119,645
EXPENDITURE		
Contribution surcharge	1	3
Group life and salary continuance premiums	4,461	2,488
General administration expenses	5,220	5,166
Total Expenditure	9,682	7,657
Benefits Accrued as a result of Operations before Income Tax	235,077	111,988
Income Tax Expenses	22,562	11,828
Benefits Accrued as a Result of Operations	212,515	100,160

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

Legislative changes to super in 2012–13

Below is a summary of some of the Federal government's changes to Australia's superannuation system announced in 2013.

Increase in Superannuation Guarantee

From 1 July 2013 the SG rate increased to 9.25%. It will increase incrementally on 1 July each year until becoming a full 12% in 2019.

Employees aged 70 and over

In addition SG will apply to employees aged 70 and over from 1 July 2014.

Low income superannuation contribution

Individuals earning up to \$37,000 are entitled to receive a refund of contributions tax, to ensure they will be no worse off when receiving superannuation guarantee contributions from their employer. Refunds will apply after completion of your personal income tax return.

Changes to concessional contributions

Also known as salary sacrifice, the maximum that can be contributed via concessional contributions in 2013–14 is \$25,000 (\$35,000 for those aged 60 and over).

Changes to co-contribution scheme

If you earn less than \$48,516 in 2013–14 (including assessable income, fringe benefits and super contributions), the Government may add up to \$500 to the contributions you make from your after-tax pay. The maximum co-contribution reduces for income over \$33,516, and ceases after income reaches \$48,516.

Refund of excess contributions tax

From 1 July 2013, excess concessional contributions will be taxed at an individual's marginal tax rate, plus an interest charge, rather than the top marginal rate. The Government will also allow individuals to withdraw any excess contributions.

MySuper

From 1 January 2014 employers must use a MySuper authorised super fund when making contributions for staff who do not complete a choice of fund form. REI Super is MySuper-authorized.

REI Super supports the Real Estate Institutes and other organisations



Contact us

Stay in touch

REI Super provides members with up to date details on investment performance, changes to super, tips and strategies on all things 'super', on a regular basis at reisuper.com.au.

Members can register their email address to receive quarterly e-news and updates.

Members can also access a comprehensive range of online tools, calculators and resources, to better understand and manage their super. You can use the website to:

[Access your account online](#)

[Update your personal details](#)

[Apply for insurance online](#)

[Combine your super online](#)

[Make investment switches](#)

[Access online retirement planning, super and pension calculators](#)

[Download forms and publications](#)

[Go to \[reisuper.com.au\]\(http://reisuper.com.au\)](http://reisuper.com.au)



Join

To join REI Super, simply download the Product Disclosure Statement with membership application form at reisuper.com.au or call us to have a copy sent to you by post.

Register as an Employer

To offer REI Super to your staff and take advantage of our free clearing house (to make your super administration simple and fast) download an [employer application form](#).

Change of details?

If you change address, email or employer, you should let us know. You can update your details online. Simply login to your account at reisuper.com.au or call us on **1300 13 44 33**.

Protecting your privacy

The Fund holds personal information about you (such as your name, address, date of birth and tax file number) in order to provide your super benefits. This personal information may be disclosed to the Fund's administrators and professional advisers, 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](#).

Problem?

Most queries can be answered over the phone. If you are not satisfied with our response, REI Super has formally established and approved procedures for handling complaints. The procedures provide a mechanism to lodge complaints and to have them answered.

Complaints are preferred in writing, and should be addressed to:

The Complaints Officer
REI Super
GPO Box 4303
Melbourne VIC 3001

The Complaints Officer will respond to a member's complaint in writing. If a member is not satisfied with the response, or considers that they have been disadvantaged by a decision, they should notify the Fund formally in writing and their letter headed with '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 if they are not satisfied with the response. The Superannuation Complaints Tribunal (SCT) can be contacted on **1300 884 114**.

1300 13 44 33

Between 8.30am – 7.00pm AEST Mon-Fri
(local call cost within Australia)

Web reisuper.com.au

Fax (03) 9245 5827

Post REI Super, GPO Box 4303,
Melbourne VIC 3001

[facebook.com/reisuper](https://www.facebook.com/reisuper)

Questions? [Online enquiries](#)

Disclaimer: The information in this annual report is for general information purposes only. It does not take into account your investment objectives, financial situation or specific needs, therefore it doesn't constitute personal advice on investment or financial matters. This information is provided by REI Superannuation Fund Pty Limited ABN 68 056 044 770, Australian Financial Services Licence No. 240569, SPIN REI0001AU, RSE L0000314, REI Super ABN 76 641 658 449, RSE R1000412, MySuper unique number 76641658449129. REIS 34973