

REI Super Annual Report 2015

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Another year of
double-digit returns

Celebrating 40 years
as the Fund for the
real estate industry

New services for
our members

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On the cover:

Dion Besser, Founder and CEO of Besser & Co. Real Estate in Melbourne's Balaclava, photographed at his local, the Glass Merchants Café.

"I think real estate agents have a responsibility to people in the community. They have such a large effect on any local area – both visually, in terms of how an area's properties are presented, as well as behind the scenes. Every time we sell or rent a property we end up dealing with such a wide range of people in the local community."

The year at a glance

Net investment return

(Trustee Super Balanced option – MySuper):

10.66%

vs median super balanced option return of 9.60*%

5-year average annual net return

(Trustee Super Balanced option – MySuper):

9.60%

New financial advice options and services

See page 20.

Celebrating 40 great years of providing super to the real estate industry

1975-2015



* As measured by SuperRatings SR50 Balanced (60-76) Index for June 2015

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CHAIR'S MESSAGE

We're getting results for people who work in the real estate industry

I'm very pleased to present REI Super's Annual Report for the financial year to 30 June 2015.

Another double-digit investment return

While continuing to provide high quality, personalised services to members and employers this year, the Fund has delivered a top-quartile, double-digit investment return in its flagship Trustee Super Balanced (MySuper) option.

The Trustee Super Balanced option returned 10.66% for the year (net of investment fees and tax). As well as being a great result in its own right and in a volatile investment environment, it compares very favourably with the return of the median* super fund balanced option, which was 9.60%. This is the third year in a row the Trustee Super Balanced option has provided a double-digit return to REI Super members.

It was an interesting but a challenging year for investment markets, with some significant peaks and troughs in quarterly returns.

The main factors influencing investor sentiment during the year were the debt situation in Greece and volatility in the Chinese stock market, as well as continued speculation about the timing of interest rate increases around the world.



*As measured by SuperRatings SR50 Balanced (60-76) Index for June 2015.

Where our returns came from

Our prudent and diversified investment strategy has continued to help us capitalise on opportunities for gains from strongly performing sectors of the market and to minimise losses from badly performing sectors. This in turn has helped to preserve and grow our members' savings.

In recent months our investment in long-term assets such as unlisted property and our very targeted investments in Japanese shares and emerging markets have helped to boost returns. Our reduced exposure to Australian shares also helped preserve capital.

Please see pages 12 -15 for more information on the Fund's investment strategy and returns from each of the Fund's investment options.

Thank you to the Board and the team

Having joined the REI Super Board of Trustees since the last annual report, I'd like to acknowledge and thank the retired Chair, Bill Woolcock, for his achievements for the Fund. I'd also like to thank the Board and the REI Super Management Team for their continuing diligence and commitment. It's a privilege to work alongside a group of individuals who are each so focused on achieving the best possible outcomes for REI Super members.

Yours faithfully

Claire Higgins
Chairperson



CEO'S MESSAGE

We serve people who work in real estate

REI Super exists for the sole purpose of maximising our members' superannuation savings. We do this by actively and astutely managing members' investments and through careful containment of costs. The fees members pay are used only for the purposes of running the Fund, and the Fund's investment earnings go back to members' accounts rather than shareholders.

40 years and going strong

The Fund is proud to be celebrating its 40th birthday this year, which is quite a significant milestone. The Fund was founded on the 5th of February 1975, which makes us one of the earliest industry funds established in Australia.

REI Super owes its longevity to several contributing factors.

One of those is our long-standing participation in and active support of the real estate industry, through our members, employers and the real estate industry associations.

Another factor is that since REI Super's inception in 1975, we have been run only to benefit members, rather than shareholders. This has enabled us to keep fees very low and to return more money to members' accounts.

Furthermore, our representative board is elected from our Fund membership. This means our members get a direct say in the running of the Fund through their elected representatives.

Expanded advice services

We're very pleased to have introduced some terrific enhancements to our financial advice services this year.

We now offer members three different ways to obtain financial advice from us: via the phone, via face-to-face meetings and now through live, real-time online video advice.

Live advice via video is a great new service, particularly if a member is located in a regional or country area or simply can't attend a face-to-face appointment in the CBD.

Our financial advisers are salaried and fully qualified. They don't sell products and they don't earn commissions. This means members receive advice without having to worry about the adviser's motives in providing it to them.

Looking forward

We are excited to be working with our new Chair, Claire Higgins, and also take this opportunity to recognise the service of Bill Woolcock, who retired as Chair last year after ten years in the role.

Thank you for your continued involvement with and support of REI Super. We look forward to providing the best superannuation solution for people in Australia's real estate industry for many years to come.

Regards,



Mal Smith
Chief Executive



40 years and going strong

On 5 February 2015 REI Super celebrated 40 years as the industry fund for Australia's real estate industry, which makes it one of the longest-standing industry funds in the country.



The Fund has existed since 1975, which means its history spans the transition from super for the few to super for all working Australians.

We owe our longevity to several factors:

- **The real estate industry.** Our long-standing participation in and active support of the real estate industry – through our members and employers and the real estate industry associations.
- **Run only to benefit members.** Since the Fund's inception in 1975 we have been run only to benefit members, rather than shareholders. Our permanent commitment to this business model has enabled us to keep fees very low and to return more money to members' accounts.
- **Real representation of members and employers.** Any active REI Super member can stand for election to the Fund's Trustee Board. That's been the case for many years and it remains the case today.

Long-standing REI Super member Bill Rush on holidays in Scotland.



Postcard from retirement: an original REI Super member

Bill Rush spent over 40 years in real estate, and as REI Super celebrates its own 40th birthday, he took the time out of his European holiday to talk to us about what's changed in real estate, and superannuation, since 1975.

When Bill joined the Real Estate and Stock Institute of Australia Superannuation Fund, now REI Super, in 1977, he was already a well-respected figure in real estate in Geelong, Victoria. Cuthbertson Bros had been selling homes in the area since 1928, and Bill had been with them since 1971.

"Cuthbertson Bros were always staunch members of REI Super. It was seen as an opportunity to put money aside for retirement and at the same time it has some taxation benefits."

"The one constant throughout the years is change," says Bill.

One job and one fund

But Bill accomplished something almost unheard of in real estate today - staying with the same agency for the entirety of his career.

"I just loved my job and kept working until the age of 74.

Real estate is not just a job; it is a way of life."

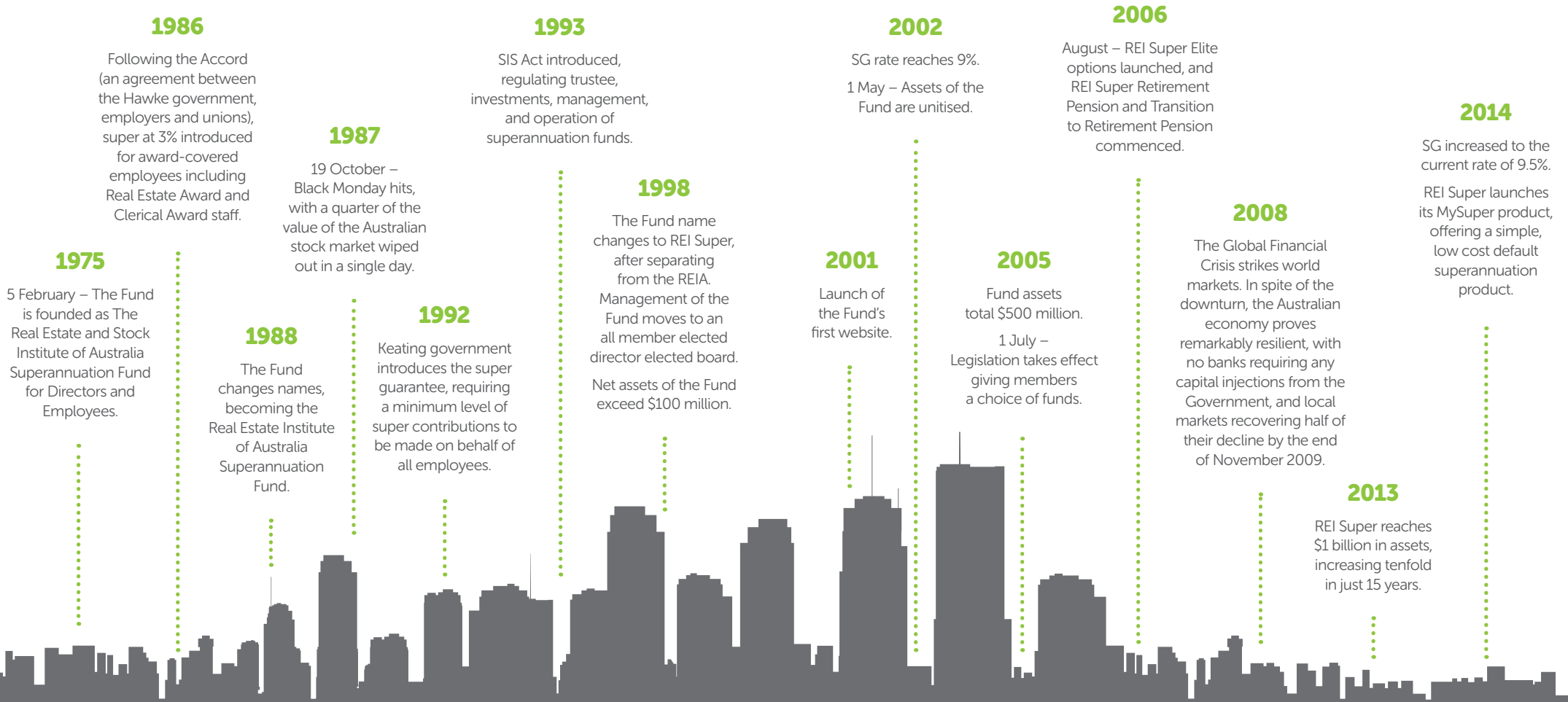
Bill also stayed with REI Super, and despite retiring from real estate in 2012, he is still a member of the Fund.

"My objective was to build up a nest egg for retirement funds that could be used to supplement an income and be spent at my leisure."

And that's precisely what he's done.

Currently taking in the sights of Scotland, this trip has already taken Bill and his wife, Maybell, to Prague, Poland, Croatia and on a scenic train journey through Europe. The whole trip will be topped off by a 17 day cruise from Hong Kong to Sydney.

Looking back on where we've been: 1975-2015



INVESTMENT REPORT

Strong returns in a volatile climate for REI Super members

Investment markets continued to perform strongly over the financial year ended 30 June 2015, although there was considerable volatility in returns in the second half of the year. This was largely due to investor nervousness about the impact of the Greek debt situation as well as significant falls in the Chinese share market.

REI Super's Trustee Super Balanced option, which is the Fund's MySuper option, had a net investment return of 10.66% for the year, which is more than one percent above the return of the median superannuation fund balanced option of 9.60% (as measured by the SuperRatings SR50 Balanced (60-76) Index for June 2015).

Over the past five years, the Trustee Super Balanced option has delivered an average annual net investment return of 9.60%, which is well ahead of its performance objective of earning an average annual return of inflation plus 3% (CPI+3%) and also around 0.5% p.a. ahead of the median balanced option in the SuperRatings SR50 Index over 5 years of 9.11%.

These strong returns reflect our active management of the portfolio and our prudent balance of investments.

REI Super's investment strategy

REI Super's strategy is to invest in assets that offer the best level of return for a given level of risk taken, and this has been a key contributor to our performance.

For example, our investment in Australian listed property, our increased holding in Japanese shares, and our reduced holding in Australian shares have all helped to boost our performance over the past 12 months. In late 2014 we created a new Supplementary Opportunities Trust, designed to further tailor our various exposures to selected markets. This has proven to be a very beneficial addition to our diversified portfolios, and provides the Fund with access to well-priced assets that have potential for good capital growth.

We have held higher than normal cash levels in the Trustee Super Balanced option over the past 12 months and this has proven to be a very helpful strategy.

Cash provides capital stability in falling markets and it's an important component of our investment approach in an environment when many other assets appear expensive, and therefore more likely to fall in value. Having cash on hand also means the Fund can buy into other investments when they do eventually fall in price and become good investment opportunities.

The Fund's portfolios remain well-positioned to address the current challenges in the markets – including the probably unsustainable high prices of many assets. As always, we remind members that short-term market fluctuations should be expected if you are invested in an investment option that aims for long-term growth. The key for investors is to keep your eye on the long-term view and not be overly distracted by short-term market events.

We seek to get the best possible investment returns for our members by



Identifying investments that offer good value and a good return for their risk



Diversifying across a range of different types of assets, countries, industries and currencies



Investing less when markets are expensive and investing more when they are cheap

Performance of other investment options

Super Growth

The Super Growth option grew by 12.03% over the year. The portfolio holds a high proportion of its investments in shares and property, which all performed well in the last financial year.

Super Stable

The Super Stable option returned 6.06% over the last 12 months. This return reflects the more defensive and conservative

nature of this investment option. In line with its more defensive strategy, the Super Stable option continues to maintain significant levels of investment in both cash and Australian bonds, both of which generated good positive returns. Defensive investments are expected to deliver lower total returns than investments such as shares, but they provide more protection from capital loss and may deliver superior returns in more difficult markets.

Premium Income

The Premium Income option returned 3.63% for the year to 30 June 2015, which puts it ahead of its performance objective of returning 1% above inflation over rolling three-year periods. This option is designed to provide members with a consistent income

above the prevailing cash rate, while still preserving capital over a medium term timeframe. During the last year the return for the Premium Income option benefited from its strategy of investing only in attractively valued assets, which helped to preserve members' capital.

Super Cash

The Super Cash option returned 2.08% for the year. Cash returns over the course of the last 12 months fell as the Reserve Bank of Australia cut official interest rates to an all-time record low of 2%. Although the Australian property

market remained strong, the Reserve Bank decided to lower rates to try and offset the slowdown in growth in the mining sector. Interest rates are expected to stay low for some time, with the market now looking to late 2016 for the next interest rate rise.

REI Super's net investment returns* to 30 June 2015

Investment option	1 year (%)		3 years (average annual % p.a.)		5 years (average annual % p.a.)		10 years (average annual % p.a.)		Commencement date
	REI Super	Benchmark	REI Super	Benchmark	REI Super	Benchmark	REI Super	Benchmark	
REI Super Fund									
Super Growth	12.03	11.47	14.63	16.16	10.93	10.61	6.08	6.30	1/7/1998
Trustee Super Balanced	10.66	9.60	12.17	12.17	9.60	9.11	6.12	6.44	1/7/1990*
Super Stable	6.06	5.63	7.10	7.02	6.31	6.35	4.76	5.37	1/11/2003
Premium Income	3.63	NA**	N/A	NA**	N/A	NA**	N/A	NA**	1/10/2013
Super Cash	2.08	2.21	2.32	2.56	3.05	3.19	4.02	4.00	1/7/1998
REI Super Elite									
Australian Shares	6.76	5.43	12.88	13.98	8.69	9.03	N/A	N/A	31/7/2006
International Shares	15.61	18.42	20.23	21.01	13.76	12.86	N/A	N/A	31/7/2006
Australian Property	16.74	NA**	17.08	NA**	12.04	NA**	N/A	N/A**	31/7/2006
Global Property	7.91	NA**	11.20	NA**	10.61	NA**	N/A	N/A**	31/7/2006
Bonds	5.98	3.70	5.00	4.59	6.31	5.60	N/A	N/A	31/7/2006
REI Super Pension									
Super Growth	13.20	12.94	16.33	17.88	12.19	12.18	N/A	N/A	31/10/2006
Trustee Super Balanced	11.68	10.49	13.57	13.59	10.77	9.88	N/A	N/A	31/10/2006
Super Stable	6.84	6.36	8.16	7.89	7.20	7.27	N/A	N/A	31/10/2006
Premium Income	4.21	NA**	N/A	NA**	N/A	NA**	N/A	NA**	1/10/2013
Super Cash	2.44	2.62	2.82	3.06	3.53	3.77	N/A	N/A	31/10/2006
Australian Shares	7.44	6.64	14.33	15.75	10.21	10.20	N/A	N/A	31/10/2006
International Shares	17.24	20.41	22.96	23.13	15.96	14.36	N/A	N/A	31/10/2006
Australian Property	18.74	NA**	17.87	NA**	13.76	NA**	N/A	N/A**	31/10/2006
Global Property	8.81	NA**	12.54	NA**	13.99	NA**	N/A	N/A**	31/10/2006
Bonds	6.54	4.37	5.82	5.37	7.12	6.65	N/A	N/A	31/10/2006

*Please note: All REI Super returns are quoted net of investment fees and tax. Past performance is not an indication of future performance. ** No SuperRatings benchmark available.

How investment earnings are applied to members' accounts

Members' accounts receive the earnings achieved on the underlying investments of their chosen investment option(s), net of investment-related costs. Investment earnings have been determined and allocated weekly via the change in the weekly unit price of the chosen investment option(s).

Benchmarks

REI Super options	Median fund returns
Superannuation returns	
Super Growth	SuperRatings High Growth (91-100)
Trustee Super Balanced	SuperRatings SR50 Balanced (60-76) Index
Super Stable	SuperRatings Capital Stable (20-40)
Premium Income	No SuperRatings benchmark available
Super Cash	SuperRatings Cash
Elite and Pension returns	
Super Growth	SuperRatings High Growth (91-100)
Trustee Super Balanced	SuperRatings Balanced (60-76)
Super Stable	SuperRatings Capital Stable (20-40)
Premium Income	No SuperRatings benchmark available
Super Cash	SuperRatings Cash
Australian Shares	SuperRatings Australian Shares
International Shares	SuperRatings International Shares
Australian Property	No SuperRatings benchmark available
Global Property	No SuperRatings benchmark available
Bonds	SuperRatings Diversified Fixed Interest

Investment Managers and Trusts

as at 30 June 2015

Asset Class	Investment Manager
Australian Shares	Allan Gray Australia Dimensional JCP Investment Partners Omega Platypus Vinva Zebra
International Shares	Altrinsic Axiom Ibbotson (Direct Equity Mandates) Ibbotson International Shares Core Trust Lazard (Japanese Equities) Marathon Sands Capital
Australian Property	Omega
Unlisted Property	ISPT
International Property	Omega
Global Infrastructure	Omega
Australian Bonds	Metrics Omega
International Bonds	Colchester Ashmore (Emerging Market Debts) Omega (Global Corporate Bonds) Standish Global Bond
Global Inflation Linked Securities	Omega (Australia) Omega (Global)
Alternative Investments	Ibbotson Alpha Strategies Trust Ibbotson Diversified Alternatives Trust Ibbotson Global Trading Strategies Trust
Cash	Omega

REI Super's policy on the use of derivatives

The REI Super Trustee does not currently invest directly in futures, options and other derivatives and has no intention of doing so.

REI Super's Implemented Investment Consultant, Ibbotson, is permitted to use such instruments to assist with the

effective management of the assets of the Ibbotson Investment Trusts to the extent described in its Derivative Risk Statement (DRS). Investment managers appointed by Ibbotson are permitted to use such instruments to assist with the effective management of the assets, within constraints set both by Ibbotson and as described in each asset manager's DRS.

Focus on: REI Super's unlisted property portfolio

Unlisted property investments are excellent long-term investments, providing a combination of growth and income to REI Super's portfolio.

Approximately 25% of REI Super's property portfolio is invested in unlisted property assets, through one of our long-standing investment managers, Industry Super Property Trust (ISPT). ISPT provides a select group of industry funds (including REI Super) with access to high quality unlisted property assets for very low management fees, which means great investments at great value for REI Super members.

Unlisted property assets are assets that are not included in portfolios listed on the stock exchange. Unlisted assets are generally not readily available to individual investors, including self-managed super fund trustees.

Excellent long-term investments

Unlisted property investments are excellent long-term investments, providing a combination of growth and income to REI Super's portfolio. They also have fewer short-term ups and downs in their returns than many investments, so they are valuable assets for stabilising returns to members.

REI Super's investments in ISPT are through its Core Fund, which is a diverse portfolio of around 75 Australian commercial, industrial and retail properties of unmatched quality across capital cities and regional centres.

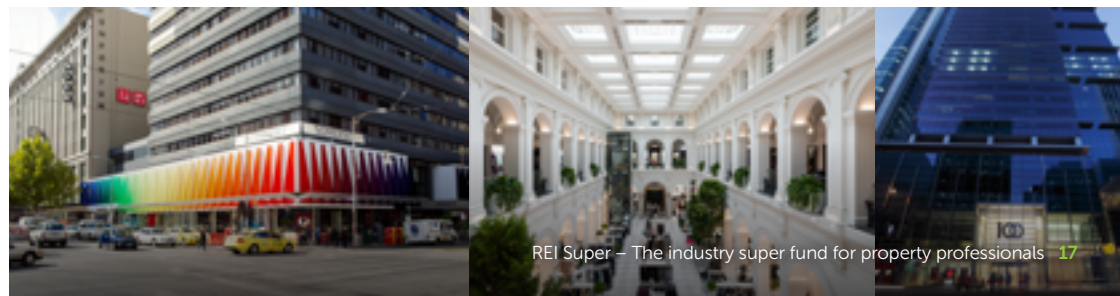
Strong long-term returns

Since it started in 1994 to 30 June 2015 the ISPT Core Fund has delivered an average net of fees annual return of 9.17%. In the financial year to 30 June 2015 it returned 10.74% (net of fees).

At 30 June 2015 the ISPT Core Fund was valued at a huge \$8.7 billion.

The portfolio includes many iconic Australian properties. For example: Melbourne's GPO; Westfield's Doncaster Shopping Centre; Brisbane's Wintergarden complex; Casselden Place in Melbourne; Liberty Place in Castlereagh Street, Sydney; 4 National Circuit in Canberra and 100 St Georges Terrace in Perth.

Three of REI Super's assets in its ISPT unlisted property portfolio. Left to right: The Strand in Melbourne; Melbourne's GPO; and 100 St Georges Terrace in Perth.



We support and serve the real estate industry

REI Super is one of the oldest industry super funds in Australia, with more than 40 years' specialisation in providing superannuation to real estate industry professionals.

Tailored for real estate businesses

REI Super works closely with all the major real estate institutes, franchises and employer bodies to ensure that all real estate staff and employers have access to the super information they may require.

All active REI Super members are eligible to run for election as a Director of the Board of Trustees, ensuring that the REI Super Board represents a broad range of Real Estate professionals and interests.

REI Super understands that real estate businesses tend to be smaller, independently owned practices where many people multi-task and time is precious, so making super contributions needs to be simple and efficient.

We know that sales people generally earn most of their income in commission and that it is this, not just their retainer, which needs to be insured through Salary Continuance Insurance.

REI Super is the only real estate specific superannuation fund named in the Federal Real Estate Award as a default fund.



REI Super Sales and Relationship Manager Jeremy Dileva presents to students at REIV.

Supporting professional development in the real estate industry

REI Super supports all the state real estate industry institutes by providing information and education to their members. We support the institutes' development of the profession and advocacy of professional standards in the real estate industry.

On Mondays REI Super Sales and Relationship Manager Jeremy Dileva presents to REIV training seminars for new agents, where he covers:

- Superannuation Guarantee requirements
- Insurance for Death, total and permanent disablement (TPD) and Salary Continuance
- REI Super investment options
- How members can maximise their super and access services.



Better advice than ever from REI Super



Getting financial advice that's right for you can make a huge difference to you and your savings now, throughout your career in real estate and into your retirement.

This year REI Super has made it easier than ever to get that advice.

REI Super's financial advice services are now easier to access and more comprehensive than ever before. We're very pleased to now be offering financial advice by live, real-time video online. Video advice is a great new service, particularly for members who are located in regional and country areas. They can now see the person they're talking to, even when they can't travel to a CBD location for a face-to-face appointment. It's also ideal for members who have busy work and family lives, and can't take the time to travel to and from an appointment.

Plus, we've expanded the range of topics on which we can advise you.

Simple super advice, right through to a full financial plan

The advice that we can provide covers the full spectrum of your potential financial planning needs, including:

- Super savings advice
- Organising to receive a retirement income from superannuation
- Comprehensive advice on any financial topic.

Call REI Super on 1300 13 44 33 to access the advice you need.

Low fees

Our fees for financial advice are very competitive, with some services provided to REI Super members at no charge.

If you wish, the cost for the advice you receive on superannuation topics can be deducted from your REI Super account. We give you a personalised written Statement of Advice at the conclusion of all our personal advice sessions.

Fully qualified advisers, free from conflicts of interest

REI Super has partnered with Mercer Financial Advice to provide an advice service to our members.

Mercer's financial advisers don't sell products, and they don't earn commissions. This means that you will get the information, answers and assistance you need, without having to worry about your adviser's motives.

Financial advice options

Areas of advice	Topics that can be covered	Cost for phone advice	Cost for video advice	Cost for face-to-face advice
Superannuation savings	<ul style="list-style-type: none"> - Your risk appetite and investment choices - Contribution options - Insurance needs - Adequacy of your savings for retirement 	No cost	No cost	\$295
Organising to receive a retirement income from superannuation	Setting up a Transition to Retirement strategy	\$295	\$295	\$495
	Reviewing your Transition to Retirement strategy	\$295	\$295	\$495
	Transferring your superannuation account to a pension account	No cost	No cost	\$495
Comprehensive advice	Any other financial planning topic (eg. estate planning, other investments, etc.)	First appointment free. Subsequent appointments on a fee-for-service basis		

Your investment options

REI Super offers a range of investment options to cater for members' individual investment needs. They enable you to choose how your super is invested.

Your options

You can invest in one option or a mixture, depending on your investment needs. If you don't choose an investment option, your account balance will be invested in the Trustee Super Balanced option. This is also known as the MySuper option. Over 90% of REI Super members are invested in the Trustee Super Balanced option. This portfolio is invested across shares, property, unlisted investments, infrastructure, fixed interest and alternative investments.

Over 90%

of REI Super members are invested in the Trustee Super Balanced option

Understanding investment risk

Each investment option has a different level of investment risk (volatility), together with a different likely level of earnings (return) on the investment.

Investment risks include:

- Changing economic cycles
- Political events, wars and natural disasters
- Investment market sentiment
- Tax and legislation changes
- Interest rates and currency relativity changes
- Factors affecting particular industries, companies or securities.

The effects of this volatility on investments may mean that over a period they do not grow and may, in fact, fall in value.

Historically, growth assets such as Australian and overseas shares and property, carry a higher level of risk (volatility) over the short term, with the likelihood of higher returns over the long-term. None of the investment options are capital guaranteed, and their value may rise and fall.

When choosing your investment option, you may wish to seek professional financial advice as well as considering:

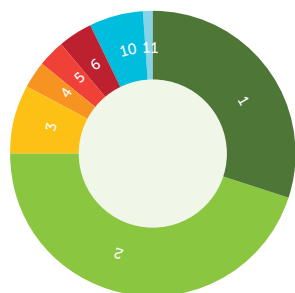
- The amount of time your money will be invested
- The level of investment earnings (return) you are hoping to achieve
- The level of risk (volatility) that you are comfortable with.

When making investment decisions, the appointed investment managers take into account the expected return and performance of their investments, depending on their own investment style. The managers may, from time to time, consider social, ethical, environmental matters or labour standards of companies within the portfolio, where these may materially impact on the performance.



Your investment options

Super Growth (Strategic Asset Allocation)



	SAA at 1 July 2015 %	Actual at 30 June 2015 %	Actual at 30 June 2014 %
1. Australian shares	30	31	30
2. International shares	45	38	29
3. Australian listed property			15
4. International listed property hedged	3	0	1
5. Unlisted property	3	3	3
6. Global Infrastructure	4	4	4
7. Australian bonds	0	0	0
8. International bonds	0	4	0
9. Global inflation linked bonds	0	0	0
10. Alternatives	6	8	8
11. Cash	1	4	10

Investment Objective: To provide a return of CPI+4% per annum over rolling 10-year periods.

Risk Measure: High

Trustee Super Balanced (Strategic Asset Allocation)



	SAA at 1 July 2015 %	Actual at 30 June 2015 %	Actual at 30 June 2014 %
1. Australian shares	19	19	19
2. International shares	32	26	21
3. Australian listed property			13
4. International listed property hedged	2	1	1
5. Unlisted property	4	4	5
6. Global Infrastructure	4	3	3
7. Australian bonds	10	9	9
8. International bonds	6	6	2
9. Global inflation linked bonds	3	3	1
10. Alternatives	7	11	10
11. Cash	5	11	16

Investment Objective: To provide a return of CPI+3% per annum over rolling 10-year periods.

Risk Measure: Medium to High

Super Stable (Strategic Asset Allocation)

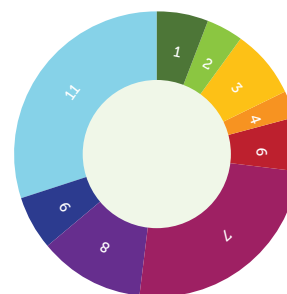


	SAA at 1 July 2015 %	Actual at 30 June 2015 %	Actual at 30 June 2014 %
1. Australian shares	10	3	3
2. International shares	13	11	11
3. Australian listed property			5
4. International listed property hedged	4	3	0
5. Unlisted property	0	0	0
6. Global Infrastructure	3	1	1
7. Australian bonds	22	14	16
8. International bonds	10	10	13
9. Global inflation linked bonds		6	0
10. Alternatives	6	9	9
11. Cash	26	44	42

Investment Objective: To provide a return of CPI+1% per annum over rolling 3-year periods.

Risk Measure: Low to Medium

Premium Income (Strategic Asset Allocation)

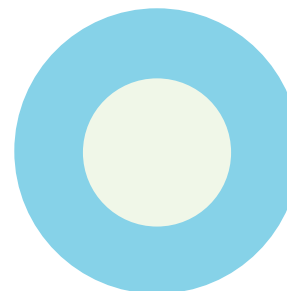


	SAA at 1 July 2015 %	Actual at 30 June 2015 %	Actual at 30 June 2014 %
1. Australian shares	6	0	0
2. International shares	4	0	0
3. Australian listed property			4
4. International listed property hedged	8	3	0
5. Unlisted property	3	0	0
6. Global Infrastructure	0	0	0
7. Australian bonds	6	3	5
8. International bonds	25	36	38
9. Global inflation linked bonds	12	13	5
10. Alternatives	6	6	4
11. Cash	0	0	0
	30	40	44

Investment Objective: To provide a return of CPI+1% per annum over rolling 3-year periods.

Risk Measure: Low to Medium

Cash (Strategic Asset Allocation)



	SAA at 1 July 2015 %	Actual at 30 June 2015 %	Actual at 30 June 2014 %
Cash	100	100	100

Investment Objective: To match CPI over rolling 3-year periods.

Risk Measure: Very Low

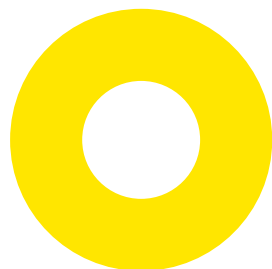
Allocations shown may vary by up to +/- 15% except for Cash which is always 100% and Super Stable where allocation may vary by up to +/- 30%.

For more details about investment options, go to reisuper.com.au/pds and read the REI Super Investment Guide.

Elite investment options

For members who have an account balance of over \$100,000 or who have an REI Super Pension account, there are five additional single asset class investment options to choose from.

Australian Shares (Strategic Asset Allocation)



100% (100)

100% Australian Shares

Investment Objective:

To grow the value of your super savings above the S&P/ASX 300 Accumulation Index over rolling five-year periods.

Risk Profile: Very High

International Shares (Strategic Asset Allocation)



50.2% (50)

49.8% (50)

50% International Shares (Hedged);
50% International Shares (Unhedged)

Investment Objective:

To grow the value of your super savings above the benchmark* over rolling five-year periods.

* Weighted average benchmark comprising 50% MSCI All Country World Ex-Australia with Net Dividends Reinvested (Unhedged) Index; 50% MSCI All Country World Ex-Australia with Net Dividends Reinvested (\$A hedged) Index

Risk Profile: High

Australian Property (Strategic Asset Allocation)



100% (100)

100% Australian Property Securities

Investment Objective:

To grow the value of your super savings above the S&P/ASX 300 Property Accumulation Index over rolling five-year periods.

Risk Profile: High

Global Property (Strategic Asset Allocation)



100% (100)

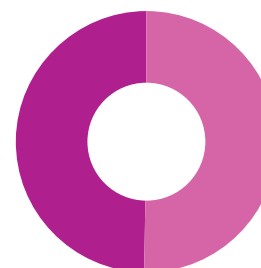
100% International Property Securities (Hedged)

Investment Objective:

To grow the value of your super savings above the UBS Global Real Estate Investors Index (\$A Hedged) over rolling five-year periods.

Risk Profile: Very High

Bonds (Strategic Asset Allocation)



49.9% (50)

50.1% (50)

50% Australian Bonds
50% International Bonds (Hedged)

Note: Actual asset allocation at 30 June 2015:
60% Australian Bonds
40% International Bonds

Investment Objective:

To grow the value of your super savings above the benchmark* over rolling three-year periods.

* Weighted average benchmark comprising 50% UBS Australian Composite Bond Index; 40% Barclays Global Aggregate A\$ Hedged Index and 10% Barclays Global Treasury (A\$ Hedged) Index

Risk Profile: Medium

For more details about investment options, go to reisuper.com.au/pds and read the REI Super Elite Investment Guide.

Managing your Fund

REI Super's Trustee Directors as at 30 June 2015



Claire Higgins
Independent Director/Chairperson
• Investment Review Committee



Michael Kumm
Member Elected Director
• Death & Disablement Claims Committee
• Investment Review Committee
• Administration Committee



Ian Armstrong
Member Elected Director
• Audit, Risk & Compliance Committee
• Investment Review Committee



Greg Paterson
Member Elected Director
• Investment Review Committee
• Marketing Committee
• Audit, Risk & Compliance Committee



Beth Stratfold
Member Elected Director
• Marketing Committee
• Audit, Risk & Compliance Committee
• Administration Committee



John Bailey
Member Elected Director
• Governance Committee
• Administration Committee
• Marketing Committee
• Death & Disablement Claims Committee



Jonathan Blocksidge
Member Elected Director
• Audit, Risk & Compliance Committee
• Administration Committee
• Death & Disablement Claims Committee



Emery Fezyeny
Independent Director
• Investment Review Committee
• Audit, Risk & Compliance Committee
• Governance Committee



Dianne Helmich
Member Elected Director
• Marketing Committee
• Governance Committee



Neville Pozzi
Member Elected Director
• Administration Committee
• Marketing Committee

Governance of the Board of Trustees

The Trustee is responsible for the management of the Fund and for ensuring that the Fund is managed in accordance with the Trust Deed and the Superannuation Industry (Supervision) Act 1993 and Regulations. There are strict internal and government controls over the operation of REI Super. You can view the Trust Deed at reisuper.com.au/about-us/management.

At REI Super we are committed to Fund Governance, compliance and risk management. Our policies, processes and procedures reflect this commitment. You can view these at reisuper.com.au/about-us/governance.

The Board has established six committees to assist in the oversight of the various functions and operations of the Fund. All six committees report through to the Board. Directors are required to meet a minimum training standard within 12 months of joining the Board and annually complete a minimum of 20 hours training.

The Trustee has a conflicts management framework to ensure it identifies and takes all reasonably practicable actions to avoid, or manage, all potential and actual conflicts in its business operations. The policy is available at reisuper.com.au/about-us/governance. A Register of Relevant Interests and Duties is maintained and is available on the website. The Trustee holds indemnity insurance to protect the Fund from the costs involved in legal actions.

Directors' and Chairperson's remuneration

The Board has implemented a process for the periodic review and evaluation of its performance and the performance of its committees, individual Directors and Executive Officers. The policy and information are available at reisuper.com.au/about-us/governance.

Directors' and Chairperson's attendance

There were four Board meetings held during the year. Listed below are the number of Board and committee meetings attended by each Director and the Chairperson for the year.

Name	Board		Audit, Risk and Compliance Committee		Remuneration Committee	
	No. of meetings eligible to attend	No. of meetings attended	No. of meetings eligible to attend	No. of meetings attended	No. of meetings eligible to attend	No. of meetings attended
Ian Armstrong	4	4	4	4	3	3
John Bailey	4	3	4	3	3	2
Jonathan Blocksidge	4	4	4	4	3	3
Helen Cunningham*	1	0	–	–	1	0
Emery Feyzeny	4	4	4	4	3	3
Claire Higgins**	3	3	–	–	2	2
Dianne Helmich***	3	3	–	–	2	2
Michael Kumm	4	4	–	–	3	3
Greg Paterson	4	4	4	3	3	3
Neville Pozzi	4	4	–	–	3	3
Beth Stratfold	4	4	4	4	3	3
Bill Woolcock****	1	1	–	–	1	1

*Ceased 30 September 2014

**Appointed 1 October 2014

***Appointed 1 November 2014

****Ceased 30 September 2014

Fees and other costs

How fees are charged to your account

Investment costs are deducted from your investment earnings before the earnings are added to your account. Fees and costs related to administration of your account are deducted directly from your account,

and the amounts are shown on your annual member statement.

You should read all the information about fees and costs because it is important to understand their impact on your investment. Please refer to reisuper.com.au/pds for more information.

Different types of fees and costs

Type of fee or cost	Amount	How and when paid
Investment fee	Nil	See Indirect Cost Ratio below.
Administration fee	\$1.65 per week	The Administration fee is deducted from your account balance monthly in arrears or on the date your account is closed.
Buy/Sell spread	Buy spread from 0.00% to 0.21% depending on the investment option. Sell spread from 0.00% to 0.21% depending on the investment option.	Deducted weekly before unit prices are declared.
Indirect Cost Ratio	From 0.41% p.a to 0.82% p.a depending on the investment option.	Deducted from the assets of REI Super before investment returns are declared.

Financial Statements

Financial year
ended 30 June 2015

	2015	2014
	\$ ('000)	\$ ('000)
ASSETS		
Investments	1,270,878	1,114,620
Cash at bank	12,412	15,438
Sundry debtors	874	894
Tax assets	67	392
Total Assets	1,284,231	1,131,344
LIABILITIES		
Amounts payable	17	1,586
Sundry creditors	1,076	1,988
Employee benefits	132	110
Provision for income tax	17,334	6,909
Total Liabilities	18,559	10,593
Net Assets Available to Pay Benefits	1,265,672	1,120,751
Represented by: Liability for Accrued Benefits		
Allocated to Members' Accounts	1,256,162	1,111,691
Unallocated Amounts	1,908	2,202
Operational Risk Reserve	3,082	2,806
Administration Reserve	4,520	4,052
Liability for Accrued Benefits as at 30 June 2015	1,265,672	1,120,751
REVENUE		
Net investment revenue	125,605	119,933
Contributions revenue	117,191	102,084
Transfers from other funds	45,817	31,476
Insurance proceeds	5,051	5,934
Group life rebate	-	-
Other income	10	6
Total Revenue	293,674	259,433
EXPENDITURE		
Contribution surcharge	1	7
Group life and salary continuance premiums	4,425	4,378
General administration expenses	6,752	6,202
Total Expenditure	11,178	10,587
Benefits Accrued as a result of Operations before Income Tax	282,496	248,846
Income Tax Expenses	24,703	22,214
Benefits Accrued as a Result of Operations	257,793	226,632

The Financial Statements of the Fund have been audited. A copy of the Auditor's Report is available on request. Contribution surcharge payments are deducted from member accounts.

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 2014/15 was \$24.7 million (2013/14: \$22.2 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 approximately \$150,000 in fees to APRA.

For more details about fees and costs, go to reisuper.com.au/pds and read Fees and costs. Please note that details relating to the fees and costs may change between the time you read this Report and the day you acquire the product.

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 during the 2014/15 financial year.

Insurance fees

The cost of insurance fees 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 (cont.)

Financial year
ended 30 June 2015

Reserves

Administration Reserve

Effective 1 July 2013, the Fund maintains an Administration Reserve and it is managed in accordance with the Fund's Administration Reserve Policy. It's used to pay for unexpected future administration and operational expenses of the Fund, to provide any additional funding which may be required in the Operational Risk Financial Reserve and for any other purpose which is considered by the Trustee to be in the best interests of Fund beneficiaries.

Operational Risk Financial Reserve

Effective 1 July 2013, the Fund established an Operational Risk Financial Reserve, in accordance with APRA's prudential standards. This reserve is managed in accordance with the Fund's Operational Risk Financial Requirement (ORFR) Strategy. The Trustee may use the reserve to make a payment to address an operational risk event. The target level of the Reserve is 0.25% (+/- .05%) of the Fund's net assets.

	2015 \$ ('000)	2014 \$ ('000)
ADMINISTRATION RESERVE		
Balance at beginning of period	4,052	3,431
Movement	468	621
Balance at end of period	4,520	4,052
OPERATIONAL RISK FINANCIAL RESERVE		
Balance at beginning of period	2,806	2,536
Movement	276	270
Balance at end of period	3,082	2,806

Contact us

1300 13 44 33

Between 8:30am and 7:00 pm (AEST)
Mon-Fri (local call cost within Australia)

reisuper.com.au

GPO Box 4303, Melbourne VIC 3001

Fax (03) 9245 5827

Online enquiry form:

reisuper.com.au/contact

Join

To join REI Super download the PDS with *Membership Application Form* at reisuper.com.au/pds or call us on 1300 13 44 33 to request a copy to be sent by post.

Register as an employer

To register and offer REI Super to your staff, as well as access our free clearing house, download an *Employer Application Form* at reisuper.com.au or call 1300 13 44 33 to request a copy.

Change of details

You can update your details online. Access your account at reisuper.com.au or call 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 which can be viewed at reisuper.com.au/privacy-policy

Problem?

Most queries can be answered over the phone. If you are not satisfied with our response, REI Super has a formal complaints handling procedure. This procedure provides a mechanism to lodge complaints and to have them answered. Details of how to lodge a complaint and where to send this to are available in our *How to make a complaint* Factsheet, which can be found in the Publications section of our website at reisuper.com.au

Download the REI Super mobile app!

View your super on the go

