



Annual Report 2010

Superannuation / Pensions

quietly outperforming.
equisuper,

The Equisuper Board



Andrew Fairley (1) AM LLB (Hons), LLM, MBA
Chairman of Equisuper Pty Ltd (appointed 1 January 2009)

Andrew has a long and distinguished association with the superannuation industry. He founded Australia's first specialist superannuation law firm, IFS Fairley, in the 1990s and built a reputation as a leading practitioner in superannuation law and an advisor to trustees of both industry and large corporate superannuation funds. He still consults to legal firm DLA Phillips Fox. He has extensive interests in the Australian tourism sector, and is Chair of both the Zoological Parks and Gardens Board (Zoos Victoria) and the Alpine Resorts Coordinating Council. He is also Chairman or Director of a range of other organisations, including Applied International Pty Ltd and The International Ecotourism Society. He is the Trustee and Chair of the Sir Andrew Fairley Foundation. He is also a Fellow of the Institute of Company Directors, a Member of the Law Institute of Victoria and Patron of the Centre for Eye Research Australia.

John Azaris (2)
Employer Director (appointed 1 June 2007)

John is General Manager Operations & Services for SP AusNet where he is currently responsible for all maintenance operations functions for SP AusNet's transmission, electricity distribution and gas distribution businesses. Prior to this he was General Manager Human Resources and Communications. He has had an extensive career in the power industry and was formerly a Director of Australian Power Institute Ltd.

Bruce Beeren (3) BSc (Hons), BComm, MBA, FCPA
Employer Director (appointed 6 August 2002)

Bruce is a Non-Executive Director of Origin Energy Ltd, Contact Energy Ltd, ConnectEast Group and Coal and Allied Industries Ltd. He has over 35 years experience in the energy industry and his executive roles have included Chief Financial Officer of Origin Energy, Chief Executive Officer of VENCORP, General Manager of AGL Pipelines and Chief Financial Officer of AGL.

Trevor Birkbeck (4)
Member Director (appointed 1 February 2010)

Trevor has been employed in the Latrobe Valley power industry for over 28 years and is currently a Senior Power Plant Operator and Relief Shift Manager employed by International Power at its Hazelwood power station. Trevor has been a member of the Board of Management of the Victorian Mining and Energy division of the Construction, Forestry, Mining and Energy Union for 8 years.

Greg Hade (5)
Employer Director (appointed 1 June 2010)

Greg is Executive General Manager, Finance and Business Services at Loy Yang Power Management and responsible for a range of functions including strategic business plans, financial strategy, accounting, investment, business development and the contract, procurement

and warehousing activities. He is an alternate Director and a member of the Risk Management and Governance Committee for Loy Yang Marketing Management Company, a company responsible for the marketing and dispatch of Loy Yang Power's output and revenue management activities. Greg is a Certified Practising Accountant and was previously a Director of the Latrobe Regional Hospital and Powerworks Pty Ltd.

Robin Jervis-Read (6)
Member Director (appointed 1 February 2007)

Robin has 12 years experience as a non-executive director, nine years as a Chairman of a Victorian Government Board, 10 years as a corporate CEO and 21 years in strategic procurement with Ford and Goodyear. He is now Chairman of Group 42 of The Executive Connection Pty Ltd and a Member of the Appeal Panel Pool, Essential Services Commission, Department of Treasury and Finance, Victorian Government. Robin's previous employment includes general management positions with Goodyear, Brambles, Cleanaway, James Hardie and Hendersons Industries.

Kevin Kelly (7)
Member Director (appointed 1 February 2010)

Kevin has over 20 years experience in the superannuation industry, most recently retiring from the position of Global Head of Superannuation at ANZ in December 2009. In that role he was an alternate Director, and primarily responsible for the management of, the ANZ Australian Staff Superannuation Scheme, a non-public offer superannuation fund. Prior to this Kevin worked at the Insurance and Superannuation Commission, and held roles as an administration manager and consultant with Towers Perrin and in planning, finance and superannuation with Kodak. Kevin is a Fellow of CPA Australia and a Graduate Member of the Australian Institute of Company Directors. Kevin also currently lectures in superannuation and retirement planning at RMIT University.

John O'Neill (8)
Member Director (appointed 1 January 1995)

John is a Technical Officer with SP AusNet with over 38 years experience in the power industry. He is the power industry representative on the Australian Services Union executive, Victorian Branch.

Andrew John Pickering (9) BA (Hons), LLB (Hons)
Employer Director (appointed 1 November 2005)

Andrew is a Director of Infrastructure Capital Group Ltd (formerly ANZ Infrastructure Services). Prior to this he was Managing Director of TRUenergy and has 20 years experience as a lawyer and project developer in the energy industry in Australia and overseas. In his role with ICG, Andrew acts as a director of a number of companies, including owners of the Wattle Point and Hallett Hill wind farms, Neerabup and Kwinana power stations and Gas Pipelines Victoria Pty Ltd.

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Important information

Changes in legislation allow super funds to publish their fund information online. In the interests of reducing the cost to members of producing and distributing the Annual Report and of reducing the amount of energy and paper consumed, we now publish our Annual Reports as a PDF for download from our website www.equisuper.com.au. If you wish to receive a printed copy of the Annual Report by mail free of charge, you can call our **Helpline 1800 682 626** or email helpline@equisuper.com.au and request a copy.

This Annual Report for members is issued by Equisuper Pty Ltd ABN 64 006 964 049 ("the Trustee" or "we" or "us"), the Trustee of the Equisuper Superannuation Fund ABN 33 813 823 017 ("Equisuper" or "the Fund").

Equisuper has two broad divisions; Equisuper Corporate (including defined benefit and EquipExpress) and Equisuper Personal (including Equisuper Pensions).

For more information on the Fund and how to contact Equisuper, please refer to the back cover of this publication.

This document is for general information only. It has been prepared without taking into account your personal objectives, financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, you should also seek professional financial advice. Where tax information is included you should consider obtaining personal taxation advice. If you are considering investing in the Fund, you should read the appropriate PDS before making an investment decision.

Neither the Trustee, nor any employees or directors of the Trustee, guarantee the repayment of capital or the performance of the Fund. Past performance is not an indication of future performance.

Equisuper Financial Planning Pty Ltd

Equisuper Financial Planning Pty Ltd (ABN 84 124 491 078) is owned by Equisuper Pty Ltd (ABN 64 006 964 049 AFSL 246 383), the Trustee of the Equisuper Superannuation Fund (ABN 33 813 823 017). Financial planners must be licensed via an Australian Financial Services Licence (AFSL) in order to provide personal and financial product advice. Equisuper Financial Planning Pty Ltd operates as a Corporate Authorised Representative of Health Super Financial Services Pty Ltd (HSFS) (ABN 37 096 452 318, AFSL 240019). This means that Equisuper Financial Planning operates under the HSFS AFSL. All Equisuper Financial Planners are Authorised Representatives of HSFS.

Shaping the decades ahead

I am pleased to present Equipsuper's Annual Report for the 2009-10 financial year. It is very satisfying to note that investment returns were positive for members after two very difficult years, in which investment markets were driven downwards by global circumstances.

While market volatility will be with us for some time into the future, I am pleased to report that the Equipsuper Board has been focusing on strategies to set a platform for delivering solid outcomes for members and employers in the decades ahead.

Central to that strategy is our intended merger with Vision Super by mid-2013. We announced this to members by letter in April this year. The key objectives of the merger are to achieve economies of scale in areas that are critical to delivering strong investment returns and other services as cost-effectively as possible in the increasingly competitive superannuation marketplace.

You can be assured that this is a merger of equals, with positive benefits for members of both funds. We are very aware of the importance of maintaining the robust investment processes and returns, which have become the cornerstone of Equipsuper's history and reputation.

You should feel assured that our focus on this will be undiminished under the guidance of our Investment Committee and Chief Investment Officer, Michael Strachan.

I should add that change is something that we should embrace, both as a Fund and as Fund members. It is an inevitable circumstance for the superannuation industry, which is exposed to government policy and regulation, technological revolution and social change, as well as investment markets. It is critical that the trustee directors of superannuation funds continually review the impact of environmental change, both present and future, on a fund's capacity to ensure appropriate returns and security for member investments.

We understand that Equipsuper members have experienced substantial changes over recent years, but it is heartening that the Fund's recent transfer of member administration to Mercer was achieved on schedule. It demonstrates that significant change for the better is achievable if properly communicated and executed. To help you with your planning, we will communicate regularly with you through member newsletters, the website and, where necessary, special publications, as the merger progresses.

Finally, on behalf of the Equipsuper Board, I would like to thank all members and employers for their patience and understanding throughout our administration change. Your support was a substantial contributor to the successful completion of the transition within the allotted timeframe.

We look forward to creating an exciting future for all associated with Equipsuper.



Andrew Fairley
Chairman

*focusing on strategies
for solid outcomes in
the decades ahead.*



Working with market volatility

I welcome this opportunity to comment and to introduce myself for the first time as Chief Executive Officer in Equipsuper's Annual Report. I have joined the Fund at a very exciting time and, from the outset, I can assure you that I will continue to place member interests at the core of our future strategy.

The only certainty about investment markets in recent times has been volatility. The Global Financial Crisis in 2007-09 has resulted in on-going nervousness among investors around the world. Markets have been reactive to the latest positive or negative news, often ignoring broader economic trends.

It means we are all contending with a lot of market noise, making the task of maintaining focus on investment fundamentals – identifying real economic trends and good value investment opportunities - more difficult.

That said, our positive 2009-10 investment returns reflect the benefit of setting long-term investment strategies and sticking with them. Our Fund continues to rank among the leaders in delivering strong investment returns over five to ten-year periods.

The other thing to consider in times of volatility is that market fluctuations present opportunities to buy high quality investments that are undervalued, or to sell investments that have reached or exceeded our assessment of their maximum valuations.

One of the benefits of the merger with Vision Super will be our increased capacity to consider investment opportunities that would be out of the reach of Equipsuper as a stand-alone fund. This is not necessarily because we don't have the assets to invest, just that some investments would account for a disproportionate percentage of our total investments if we proceeded with them.

Delivering excellent investment outcomes is a product of investing in superior assets without taking undue risk, reducing costs by growing the Fund, utilising technology and securing the best available employees across all facets of the organisation.

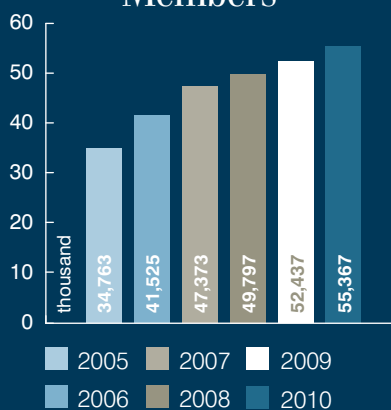
I can assure you that we'll continue to work on all of these to achieve the best outcomes for you. Thank you for your continued membership and support of Equipsuper.

I will continue to place member interests at the core of our future strategy.

Danielle F. Press

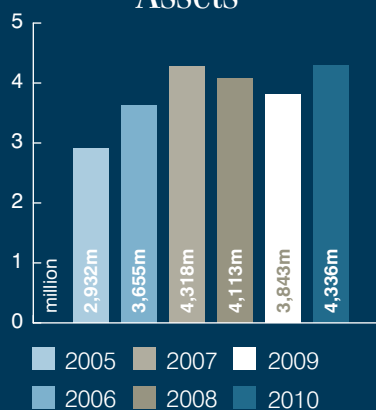
Danielle Press
Chief Executive Officer

Members



Figures taken at 30 June 2010

Assets



Figures taken at 30 June 2010



diversified option performance at 30 June 2010

Growth Plus

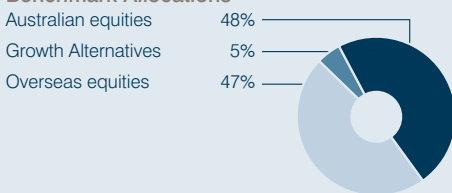
Investment objective*

Achieve a net return of at least 5% p.a. above inflation (measured by CPI) over a rolling seven year period.

Strategy

Invest solely in Australian and overseas equities and alternative growth assets. These are growth investments that we expect to earn higher returns over the long term.

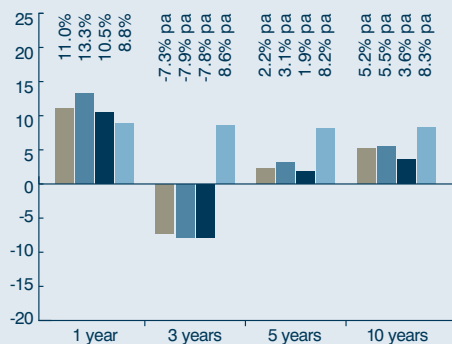
Benchmark Allocations ^



Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

Asset Class	Benchmark Allocation	Permitted range
Australian equities	48%	40 - 60%
Overseas equities	47%	40 - 60%
Property	-	-
Growth Alternatives	5%	0 - 10%
Defensive Alternatives	-	-
Diversified Fixed Interest	-	-
Cash	-	-

This is how the Growth Plus option performed against its objectives and other funds over the past ten years. ^^



■ Growth Plus - Superannuation return
 ■ Growth Plus - Income Stream return
 ■ SuperRatings High Growth (All Funds Median)
 ■ Investment objective (CPI+5%)

Net annual returns#	Superannuation	Income Streams
30 June 2010	11.0%	13.3%
30 June 2009	-16.4%	-18.8%
30 June 2008	-14.2%	-15.2%
30 June 2007	17.9%	23.1%
30 June 2006	18.6%	21.3%

Growth

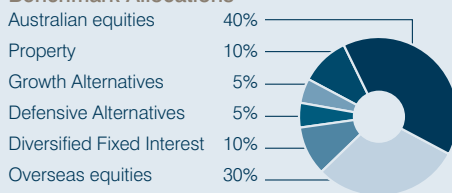
Investment objective*

Achieve a net return of at least 4.5% p.a. above inflation (measured by CPI) over a rolling six year period.

Strategy

Invest primarily in Australian and overseas equities while providing some exposure to property and alternative assets. These are growth investments with the property allocation providing some diversification from equities.

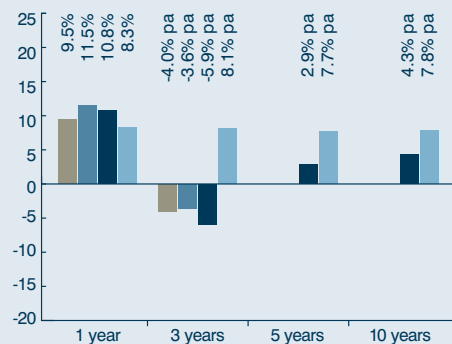
Benchmark Allocations ^



Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

Asset Class	Benchmark Allocation	Permitted range
Australian equities	40%	30 - 50%
Overseas equities	30%	20 - 40%
Property	10%	5 - 15%
Growth Alternatives	5%	0 - 10%
Defensive Alternatives	5%	0 - 10%
Diversified Fixed Interest	10%	5 - 15%
Cash	-	-

The Growth investment option was introduced on 2 October 2006; therefore there are no long-term performance figures for this option.



■ Growth - Superannuation return
 ■ Growth - Income Stream return
 ■ SuperRatings Growth (All Funds Median)
 ■ Investment objective (CPI+4.5%)

Net annual returns#	Superannuation	Income Streams
30 June 2010	9.5%	11.5%
30 June 2009	-11.5%	-13.4%
30 June 2008	-8.6%	-7.2%
30 June 2007	-	-
30 June 2006	-	-

Balanced Growth

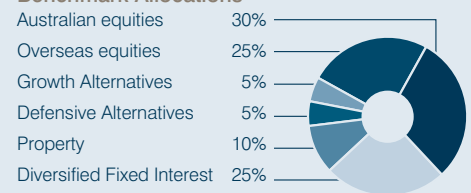
Investment objective*

Achieve a net return of at least 4% p.a. above inflation (measured by CPI) over a rolling five year period.

Strategy

Invest mainly in equities and property, which are expected to earn higher returns over the long term. Invest the balance in more stable assets like fixed interest securities.

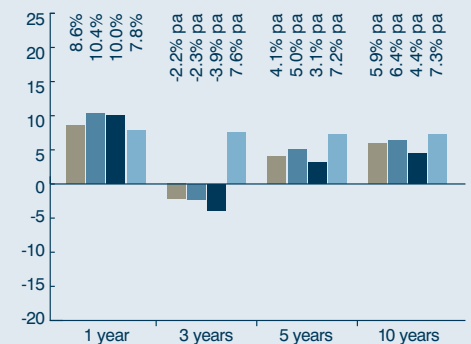
Benchmark Allocations ^



Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

Asset Class	Benchmark Allocation	Permitted range
Australian equities	30%	20 - 40%
Overseas equities	25%	15 - 35%
Property	10%	5 - 15%
Growth Alternatives	5%	0 - 10%
Defensive Alternatives	5%	0 - 10%
Diversified Fixed Interest	25%	15 - 35%
Cash	-	-

This is how the Balanced Growth option performed against its objectives and other funds over the past ten years. ^^



■ Balanced Growth - Superannuation return
 ■ Balanced Growth - Income Stream return
 ■ SuperRatings Balanced (All Funds Median)
 ■ Investment objective (CPI+4%)

Net annual returns#	Superannuation	Income Streams
30 June 2010	8.6%	10.4%
30 June 2009	-8.3%	-9.5%
30 June 2008	-5.9%	-6.7%
30 June 2007	14.3%	17.8%
30 June 2006	14.2%	16.1%

* The investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.

^ The benchmark allocations for this investment option changed from 2 October 2006.

Note that past performance is no indication of future performance.

^^ The three, five and ten year figures provided are the compound average effective rate of net earnings over the respective periods.

defined benefit performance

Balanced

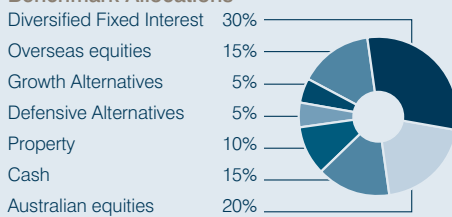
Investment objective*

Achieve a net return of at least 3% p.a. above inflation (measured by CPI) over a rolling four year period.

Strategy

Provides an even distribution between growth and defensive assets. The aim is to provide a balance of capital growth with reduced volatility.

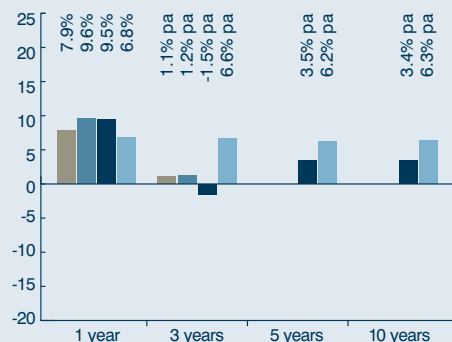
Benchmark Allocations ^



Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

Asset Class	Benchmark Allocation	Permitted range
Australian equities	20%	15 - 25%
Overseas equities	15%	10 - 20%
Property	10%	5 - 15%
Growth Alternatives	5%	0 - 10%
Defensive Alternatives	5%	0 - 10%
Diversified Fixed Interest	30%	25 - 35%
Cash	15%	10 - 20%

The Balanced investment option was introduced on 2 October 2006; therefore there are no long-term performance figures for this option.



■ Balanced - Superannuation return
■ Balanced - Income Stream return
■ SuperRatings Conservative Balanced (All Funds Median)
■ Investment objective (CPI+3%)

Net annual returns#	Superannuation	Income Streams
30 June 2010	7.9%	9.6%
30 June 2009	-2.9%	-3.5%
30 June 2008	-1.5%	-2.0%
30 June 2007	-	-
30 June 2006	-	-

Conservative

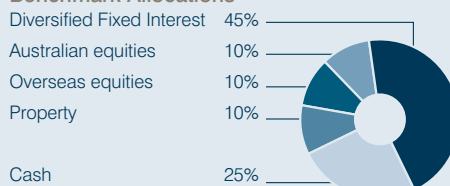
Investment objective*

Achieve a net return of at least 2% p.a. above inflation (measured by CPI) over a rolling three year period.

Strategy

Invest mainly in fixed interest securities and cash, which are expected to deliver stable returns over the long term. Invest the balance in shares and property.

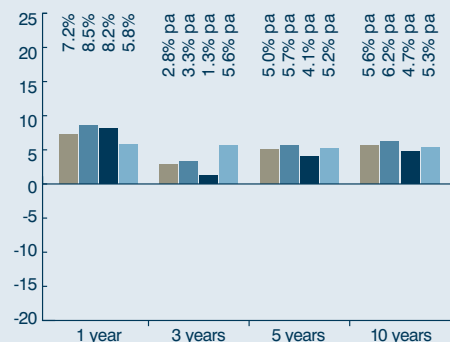
Benchmark Allocations ^



Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

Asset Class	Benchmark Allocation	Permitted range
Australian equities	10%	5 - 15%
Overseas equities	10%	5 - 15%
Property	10%	5 - 15%
Growth Alternatives	-	-
Defensive Alternatives	-	-
Diversified Fixed Interest	45%	40 - 50%
Cash	25%	20 - 30%

This is how the Conservative option performed against its objectives and other funds over the past ten years. ^^



■ Conservative - Superannuation return
■ Conservative - Income Stream return
■ SuperRatings Capital Stable (All Funds Median)
■ Investment objective (CPI+2%)

Net annual returns#	Superannuation	Income Streams
30 June 2010	7.2%	8.5%
30 June 2009	0.6%	0.7%
30 June 2008	0.9%	0.8%
30 June 2007	8.2%	9.6%
30 June 2006	8.2%	9.4%

Defined Benefit

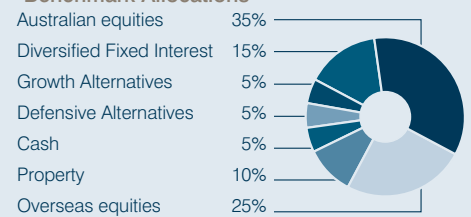
Investment objective*

We aim to achieve a long-term net return of at least 4% per annum above inflation (measured by CPI). In addition, we seek to outperform the Super Ratings Survey median manager.

Strategy

Invest mainly in equities and property, which are expected to earn higher returns over the long term. Invest the balance in more stable assets like fixed interest securities.

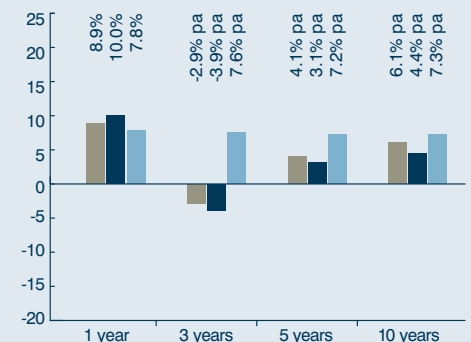
Benchmark Allocations ^



Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

Asset Class	Benchmark Allocation	Permitted range
Australian equities	35%	20-40%
Overseas equities	25%	15-35%
Property	10%	5-15%
Growth Alternatives	5%	0-10%
Defensive Alternatives	5%	0-10%
Diversified Fixed Interest	15%	10-20%
Cash	5%	0-10%

This is how the Defined Benefit option performed against its objectives and other funds over the past ten years. ^^



■ Equipsuper Defined Benefit
■ SuperRatings Balanced (All Funds Median)
■ Investment objective (CPI+4%)

Net annual returns#	Defined Benefit
30 June 2010	8.9%
30 June 2009	-9.8%
30 June 2008	-6.7%
30 June 2007	15.8%
30 June 2006	15.0%

sector specific option performance at 30 June 2010

The performance of the Sector Specific options is measured against recognised investment benchmarks. Our aim is to outperform those benchmarks in each asset class over rolling one to three-year periods.

Comparing performance

Our charts show the net returns for our Sector Specific options. The investment returns reported here also include gross returns (before investment fees and tax are taken out). We have reported returns for the period that each option has been available.

The three and five year figures provided in the graphs show the compound average effective rate of net earnings over the respective periods.

Past performance is not necessarily indicative of future performance.

Sustainable Responsible Investments (SRI)

The SRI option is a Sector Specific option and is almost entirely invested in Australian shares. For investment options other than the SRI option, Equipsuper does not explicitly consider social, ethical and environmental considerations or labour standards of companies unless these have a material impact on investment performance objectives. We do, however, take into consideration labour standards and environmental, social and ethical considerations in the selection, retention and realisation of investments for the SRI option.

Equipsuper's approach is to appoint managers that consider the merit of investments - both in terms of their ability to deliver long term returns for investors and on SRI factors and considerations. For our full SRI Statement please refer to our website or an Equipsuper PDS.

*For more information
on risk and return,
visit our website
www.equipsuper.com.au*

Australian Shares

Strategy

Invest in Australian companies, usually listed on the Australian Stock Exchange (ASX).



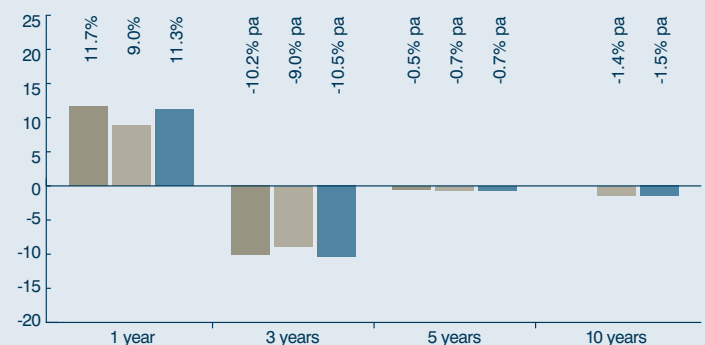
- Australian equities - Superannuation (before tax/fees)
- Australian equities - Superannuation (after tax/fees)
- Australian equities - Income Streams (after fees)

Net annual returns	Superannuation	Income Streams
30 June 2010	12.7%	15.5%
30 June 2009	-16.5%	-18.9%
30 June 2008	-13.0%	-13.8%
30 June 2007	26.9%	34.1%
30 June 2006	20.2%	22.2%

Overseas Shares

Strategy

Invest in overseas companies listed on one or more overseas stock exchanges.



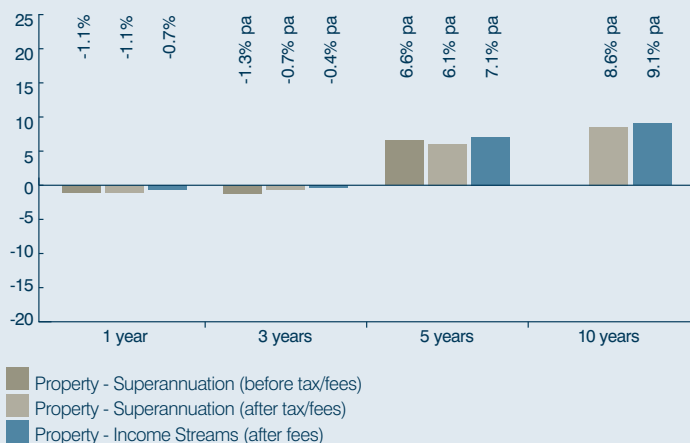
- Overseas Shares - Superannuation (before tax/fees)
- Overseas Shares - Superannuation (after tax/fees)
- Overseas Shares - Income Streams (after fees)

Net annual returns	Superannuation	Income Streams
30 June 2010	9.0%	11.3%
30 June 2009	-16.7%	-19.8%
30 June 2008	-17.0%	-19.7%
30 June 2007	9.4%	11.9%
30 June 2006	17.4%	20.5%

Property

Strategy

Invest in Australian and overseas listed and unlisted commercial property trusts.



Net annual returns	Superannuation	Income Streams
30 June 2010	-1.1%	-0.7%
30 June 2009	-9.4%	-9.5%
30 June 2008	9.1%	10.1%
30 June 2007	19.3%	21.8%
30 June 2006	15.2%	17.0%

Diversified Fixed Interest

Strategy

Invest in interest bearing bonds and some indexed bonds in Australia and overseas.

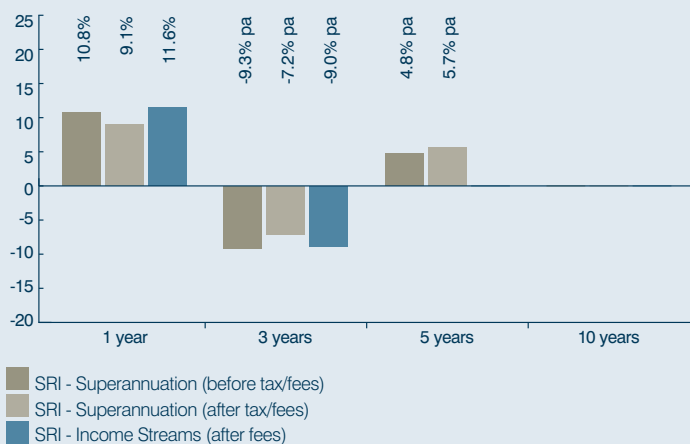


Net annual returns	Superannuation	Income Streams
30 June 2010	8.8%	10.3%
30 June 2009	7.0%	8.2%
30 June 2008	3.2%	3.5%
30 June 2007	3.0%	3.5%
30 June 2006	3.5%	4.1%

Sustainable Responsible Investments

Strategy

Invest in Australian companies, usually listed on the Australian Stock Exchange (ASX), subject to SRI criteria.



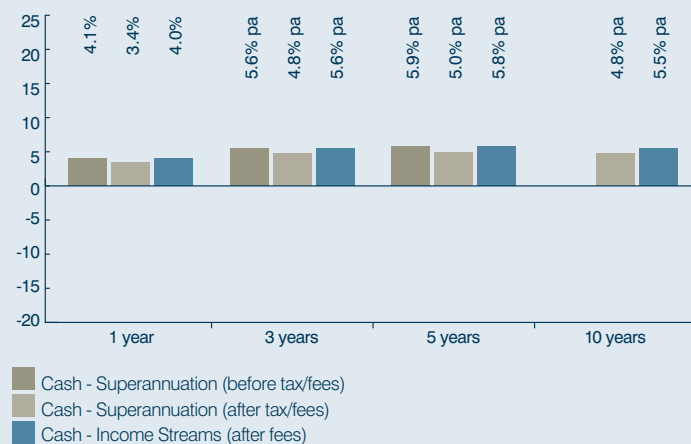
Net annual returns [#]	Superannuation	Income Streams
30 June 2010	9.1%	11.6%
30 June 2009	-18.2%	-21.6%
30 June 2008	-10.5%	-13.8%
30 June 2007	30.0%	-
30 June 2006	27.3%	-

[#] Note that there are no 2006 & 2007 returns for SRI Income Streams as no Income Streams members were invested in SRI over that period.

Cash

Strategy

Invest cash in money market securities such as bank term deposits and bank bills.



Net annual returns	Superannuation	Income Streams
30 June 2010	3.4%	4.0%
30 June 2009	4.7%	5.5%
30 June 2008	6.4%	7.4%
30 June 2007	5.6%	6.5%
30 June 2006	4.9%	5.8%

Equipsuper may review and occasionally change investment managers employed on a long-term basis. Also, investment managers may be employed on a temporary basis when another fund transfers into Equipsuper.

Our external investment managers as at 30 June 2010 were

AMP Capital Investors Limited

SRI (Australian equities), property, growth alternatives

Archer Capital Pty Limited

Growth alternatives

Baillie Gifford Overseas Limited

Overseas equities

Brandes Investment Partners

Overseas equities

Brandywine Global Investment Management

Diversified fixed interest

Bridgewater Associates Incorporated

Growth alternatives

BT Investment Management

SRI (Australian equities)

Campus Living Funds Management (Transfield Holdings)

Defensive alternatives

Capital International

Overseas equities

CB Richard Ellis Global Real Estate Securities, LLC

Property

Charterhall Funds Management Limited

Property

Colonial First State Investment Limited

Overseas equities, property, growth alternatives

Concise Asset Management Limited

Australian equities

Ellerston Capital Limited

Australian equities

Franklin Templeton Investments Australia Limited

Overseas equities

Genesis Emerging Markets Investment Company

Overseas equities

Goodman Funds Management Australia Limited

Property

GPT Group

Property

Hasting Funds Management Limited

Defensive alternatives

Ironbridge Capital Management Pty Limited

Overseas equities

Lend Lease Real Estate Investments Ltd

Property

Macquarie Investment Management Limited

Australian equities

Macquarie Specialised Asset Management Limited

Growth alternatives

Mondrian Investment Partners Limited

Diversified fixed interest

National Corporate Investment Services Limited

Growth alternatives, defensive alternatives

Next Capital

Growth alternatives

Northcape Capital

Australian equities

Pantheon Ventures Limited

Growth alternatives

Paradice Investment Management Pty Ltd

Australian equities

Perennial Investment Partners

Property

Principal Global Investors Limited

Overseas equities (currency)

Quay Partners

Growth alternatives

Retirement Villages Group**(Macquarie Capital Funds & FKP Property Group)**

Growth alternatives

Siguler Guff & Company, LLC

Growth alternatives

Schroders Investment Management Aust Limited

Australian equities

Finance

These highlights from 2009/10 demonstrate Equipsuper's financial position. This abridged financial information is based on the unaudited financial report of Equipsuper as at 30 June 2010. The fully audited financial report and the auditor's report will be available to members from 31 October 2010. For a copy, please contact our **Helpline 1800 682 626** after that date.

Reserves

The Trustee does not hold any investment reserves, but does hold other reserves for specific items. These are:

- > An operational risk and general purpose reserve to help manage the operations of the Fund (since 1 July 2005). This reserve is invested in cash because of the requirement for the funds to be liquid. The operational reserve at 30 June 2010 was \$916,753. At 30 June 2009, it was \$1,012,000. At 30 June 2008 it was \$848,000; and
- > Self-insurance reserves for death and disablement cover for certain defined benefit members. These reserves are managed in accordance with the defined benefit investment strategy. The self-insurance reserve as at 30 June 2010 was \$12,217,744. At 30 June 2009 it was \$11,553,219 and at 30 June 2008 it was \$13,306,024.

Until 1 July 2005 all reserves were part of the defined benefit assets of the Fund and not specifically identified. The operational risk and self-insurance reserves as at 30 June 2010 totalled \$13.1 million.

Statement of changes in net assets for year to 30 June	2010 \$ Millions	2009 \$ Millions
Net assets available to pay benefits at the beginning of the financial year	3,843	4,113
Plus		
Member contributions	24	25
Employer contributions	391	339
Transfers-in from other funds	43	52
Investment revenue	402	(380)
Total income	860	36
Less		
Investment expenses	23	17
Administration expenses	18	15
Insurance premiums	7	7
Pension payments	18	15
Benefit withdrawals	207	249
Income tax expense	94	3
Contributions tax (surcharge)	0	0
Total expenses	367	306
Net change for the year	493	(270)
Net assets available to pay benefits at the end of the financial year	4,336	3,843

Statement of net assets as at 30 June	2010 \$ Millions	2009 \$ Millions
Investments		
Investments		
Cash	538	448
Fixed Interest	646	614
Property	381	352
Australian Equities	1,378	1,193
International Equities	1,010	860
Defensive Alternatives	79	99
Growth Alternatives	281	195
Other assets		
Cash at bank	34	54
Receivables	24	21
Other	13	36
Total assets	4,384	3,872
Less		
Payables	17	20
Deferred income tax liabilities	2	2
Income tax payable	29	7
Total liabilities	48	29
Net assets available to pay benefits	4,336	3,843

How we pay surcharge assessments from the ATO

Even though the surcharge on superannuation contributions for high income earners was abolished from 1 July 2005, we may still receive a surcharge assessment for you from the Australian Taxation Office (ATO) for surcharge liabilities you accrued before that date. How we pay the surcharge depends on whether you are an accumulation or defined benefit member:

- > If you are an accumulation member we deduct the value of the surcharge assessment from your account; or
- > If you are a defined benefit member we charge the value of the surcharge assessment to your employer's Employer Benefit Account. The surcharge will then build up with interest and the final amount will be deducted from your account when you leave your employer.
- > If you are a defined benefit member with an additional accumulation account then any surcharge assessment can be applied to your accumulation account.

General information

Your Privacy

Equipsuper is required to comply with the Privacy Act 1988 (Cth) in relation to the collection of your personal information as a member of the Fund.

A copy of our Privacy Statement is included in Equipsuper Product Disclosure Statements. You can also obtain a copy from our website or by calling our Helpline.

The rights that you have as a member include the right to:

- > complain to Equipsuper if you believe that Equipsuper has improperly used or handled your personal information; and
- > make a formal complaint to the Privacy Commissioner if you are not satisfied with the way that your complaint has been handled or the outcome.

Please direct any concerns or queries on privacy to:

Head of Legal, Risk and Compliance

Equipsuper Pty Ltd
GPO Box 4303, Melbourne VIC 3001
Phone: 1800 682 626
Facsimile: (03) 9245 5827

Our enquiries and complaints procedures

Enquiries

If you have any queries or concerns about your superannuation, please contact our Helpline on 1800 682 626.

Complaints

If you have a complaint or are not satisfied with a response to a telephone enquiry, you can use our complaints procedure. Whilst we prefer to receive complaints about complex matters in writing, complaints can be made either verbally or in writing to:

> Member Services Manager

Equipsuper Pty Ltd
GPO Box 4303, Melbourne VIC 3001
Phone: 1800 682 626
helpline@equipsuper.com.au

Unresolved issues

We always try to resolve any complaints to the satisfaction of all concerned and in the best interests of all its members. However, if the matter is not resolved to your satisfaction, you may take the matter to the Superannuation Complaints Tribunal (SCT)

The SCT is an independent dispute resolution body. It was set up by the Government to assist members and beneficiaries of members to resolve certain types of superannuation complaints that have not been resolved by the Trustee to the satisfaction of the member or beneficiary.

The SCT can only assist you to resolve a complaint if you have already made use of the Equipsuper Enquires and Complaints procedure. There are restrictions on the SCT's jurisdiction for some types of complaints but the SCT will be able to advise you if they are able to hear your complaint.

There are time limits on when you can make complaints relating to death and disability benefits. A complaint about the distribution of a death benefit should be made to the SCT within 28 days of receiving advice about the Trustee's decision. Any claims relating to a disability benefit must be lodged with the SCT within two years of the Trustee's original decision.

If the SCT accepts a complaint it will first attempt to conciliate the dispute and if conciliation is not successful the SCT will formally review the matter.

The SCT's services are free and the contact details are:

> Superannuation Complaints Tribunal

Locked Bag 3060, Melbourne VIC 3001
Phone: 1300 884 114; www.sct.gov.au

If your complaint relates to the way your personal information was handled you should contact the Office of the Privacy Commissioner on:

> Office of the Privacy Commissioner (OPC)

GPO Box 5218, Sydney NSW 2001
Phone: 1300 363 992; www.privacy.gov.au

Temporary residents permanently departing Australia

If you entered Australia on any temporary visa which has expired or cancelled, you are eligible to access your benefit from your super fund under the Departing Australia Superannuation Payment (DASP) condition of release within six months of leaving Australia. You will receive an exit statement providing details about your payment.

Generally, any benefits not claimed within six months of departure will be transferred to the ATO as unclaimed monies. The Trustee is not required to provide an exit statement to you when your benefit is transferred to the ATO. We will, however, provide information about your benefit if you enquire about it in the future. You can then apply to the ATO for your benefit, less DASP tax. Investment earnings will not generally be added.

Your benefit will not be sent to the ATO if you have not claimed it after six months if you are:

- > a current or previous holder of a retirement visa subclass 405 or 410;
- > a permanent Australian resident;
- > an Australian and New Zealand citizen; or
- > a holder of a permanent visa.

General information

The role of the Eligible Rollover Fund (ERF)

An ERF is a fund approved by APRA, which can receive benefits payable to members who cannot be contacted or who do not respond to letters regarding payment of their benefits. They are designed to hold lost member's money and generally have more conservative investments than other superannuation funds, which may result in lower returns.

We may pay your benefit into an Eligible Rollover Fund (ERF) if your benefit:

- > is less than \$1,000; and
- > no transactions have occurred on your account in the previous 12 months; and
- > you have no insurance cover; and
- > you are not in the process of being underwritten for cover; or
- > we have lost contact with you (other than in the circumstance of lost members and unclaimed monies^a).

We will write to you before we transfer your benefit to an ERF to giving you 30 days to increase your balance above \$1,000 if you choose to.

If your benefit is paid to an ERF, it will no longer be with Equisuper and can only be claimed by contacting the ERF it was paid to. Any insurance cover you had with Equisuper will cease. You will not have any claim against the Fund once your benefit has been transferred to an ERF because your membership will have ceased.

We have selected AUSfund as the Equisuper ERF. Contact details are:

AUSfund

Level 31, 2 Lonsdale Street
Melbourne, Vic, 3000
Phone: 1300 361 798

Subject to the conditions above, Equisuper may make annual transfers to the AUSfund Eligible Rollover Fund. Being transferred to an ERF may affect your benefits because you will become a member of the AUSfund ERF. If Equisuper can provide AUSfund with your current contact details, AUSfund will provide you with its current Product Disclosure Statement (PDS), which outlines all the operational details of its fund. You can contact AUSfund for a copy of its PDS.

AUSfund invests your benefits in a diversified strategy, with approximately 70% in growth investments and 30% in defensive investments. You should evaluate whether the strategy is appropriate to your specific circumstances. AUSfund does not offer insured benefits in the event of death or disability.

Past performance

While historical performance does not guarantee future levels of returns, or even positive returns for any investment option, we believe our data for the past five years underscores our capacity to deliver attractive returns over extended time frames.

Lost members and unclaimed money

You become a lost member if mail sent to your last-known address is returned at least once or if we have never had an address for you. When that happens, we notify the ATO and your name is added to the Lost Members Register, where you can obtain information about any superannuation benefits retained by funds that have lost contact with you.

If the amounts payable to you become 'unclaimed money' (as defined in superannuation legislation) your benefit is transferred to the ATO where it is held on your behalf until you claim it.

Your benefit becomes unclaimed money if:

- > you are a temporary resident and have not claimed your benefit within six months of leaving Australia; or
- > you have reached age 65 and not instructed us about your benefit and we have not been able to contact you for five years;
- > we have not received any amounts into the fund for you for at least two years; or
- > you meet the definition of being a lost member and your account does not support a defined benefit interest and is:
 - > less than \$200; or
 - > we don't believe it will be possible to pay your benefit to you in the future.

Director elections

The structure of the Trustee is described in *Our Financial Services Guide* available from our website or Helpline.

One of the unique aspects of the Trustee is that its directors are elected. We have four elected member directors and four elected employer directors on the board. Together these directors appoint an independent chairman.

The elections are run according to the Equisuper Election Rules. Member directors are elected by a ballot of all eligible members. Their position becomes vacant in circumstances such as they leave the Fund, voluntarily resign from office, become disqualified from holding office or are removed from office by a majority vote of all members.

Employer directors are elected by a ballot of all eligible employers (each employer has voting rights in direct proportion to the number of Equisuper members it employs). Their position becomes vacant in circumstances such as they voluntarily resign from office, become disqualified from holding office or are removed from office by the trustee company in a general meeting.

Trustee expenses and liabilities

The directors receive remuneration from the Fund. The directors and the Trustee may be reimbursed and indemnified (protected) by the Fund for all expenses and liabilities which they incur in administering the Fund. The Trustee has also effected trustee indemnity insurance to cover the directors and the Fund in the event of claims. However, this does not include:

- > Liabilities arising from fraud or dishonesty; and
- > Amounts, such as penalties, for which indemnification is not permitted under legislation.

Our latest investment returns are published monthly on our website www.equipsuper.com.au

Insurance

The Trustee holds professional indemnity insurance cover.

Changing the Rules

As circumstances change from time to time, the Rules governing the Fund may need to be amended. The Trustee has the power to amend the provisions of the Rules. All amendments must comply with the amendment power in the Rules and also with any applicable Government requirement.

The Trustee will inform members in writing of the nature, purpose and effect of an amendment if and when required to do so by relevant law.

Unit buy and sell prices

When you invest with Equipsuper, your money buys a number of units in each of your nominated or default investment options, which is the unit price with a 'buy spread' applied to it.

We apply buy-sell spreads to the mid unit price calculated for the various investment options to calculate the unit 'buy' and 'sell' prices.

You buy units at the current 'buy' price. The difference between the buy price and the mid unit price is the transaction cost.

You sell units at the 'sell' price. Your account balance is always based on the unit 'sell' price, which is the amount you would receive for the units you hold in Equipsuper investment options should you receive a benefit payment or rollover to another fund.

Unit prices go up and down according to investment performance and the unit price of an investment option will fluctuate to reflect investment earnings (which can be positive and/or negative) and deductions for investment fees, costs and taxes. These movements are ultimately reflected in your account balance.

Our latest unit prices are usually updated on our website by 10 a.m. on the second business day after the business day on which they are calculated. The publication of unit prices might be delayed as a consequence of abnormal market conditions or system failures. In such circumstance Equipsuper will use its best endeavours to publish unit prices as soon as possible.

The unit prices are calculated after an estimate of investment fees and taxes are taken out. These estimates will be adjusted as information becomes available for the calculation of future prices.

Derivatives

Derivatives are investments where investment values are based on those of an underlying physical security. For instance, the value of a share option is based on the price of the underlying share. Equipsuper permits the selective use of derivatives as part of its investment strategy. Derivatives enable us to hedge against risk by increasing or decreasing exposure to individual securities and markets without having to buy or sell underlying physical securities.

Specialist advisors

Equipsuper retains specialist service providers to help run the Fund. The following were engaged during the 2009-10 financial year:

- > **Precision Administration Services Pty Ltd**
 - > Administration services (until 30 March 2010)
- > **Mercer (Australia) Pty Ltd**
 - > Actuarial advice
 - > Administration services (from 1 April 2010)
- > **KPMG**
 - > Internal auditing services
- > **PriceWaterhouseCoopers**
 - > External auditing services
- > **JANA Investment Advisers Pty Ltd**
 - > Investment advice
- > **Ernst and Young**
 - > Taxation advice
- > **Freehills**
 - > Legal advice
- > **Greenfields Lawyers**
 - > Legal advice
- > **DLA Phillips Fox**
 - > Legal advice
- > **National Australia Bank Limited**
 - > Custodian of Equipsuper's assets
- > **Chubb Insurance Company of Australia Limited**
 - > Indemnity insurance to protect the Fund and directors

More information on your super

Equipsuper produces a wealth of literature on your super. Your super and insurance benefits are set out in your Equipsuper Product Disclosure Statement. You also receive an Annual Member Statement.

Other documents to help you understand super and the way the Fund operates include:

- > Our Financial Services Guide;
- > The Equipsuper Trust Deed;
- > The latest audited accounts and auditor's report;
- > Rules for the appointment and removal of trustee directors;
- > The most recent actuarial report;
- > Equipsuper Learning Centre fact sheets;
- > The website www.equipsuper.com.au.

Detailed information on Equipsuper is readily available via our **website**, on request through the **Helpline 1800 682 626** and via e-mail: helpline@equipsuper.com.au.

You can download Equipsuper publications and forms from the website, or request them via our Helpline.

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Equipsuper Superannuation Fund

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