

Get your super active!

More on our new member education program on page 08

Annual investment performance summary

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Member Adviser service puts help within reach

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Messages from the Chairman and the CEO

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Equisuper just grew a new branch

Based on growing demand from our members in the Latrobe Valley, Equisuper Financial Planning (EFP) recently opened a permanent office to better service the region. Located at the Traralgon Business Centre, one of our planners is in the office fortnightly, available to meet with clients on an appointment-only basis.

To book an appointment, please call EFP on **1800 065 753**, or send us an e-mail at fpappointments@equisuper.com.au.

Equisuper's commitment to the Latrobe Valley recognised

Chris Winton, Manager Equisuper Financial Planning, accepts a plaque acknowledging the fund's 5-year support of the Baw Baw Latrobe Local Learning and Employment Network's Inspiring Young People program from the BBLLEN's Tony Flynn and Mick Murphy. The organisation provides inspirational mentoring programs for disadvantaged young teens.



EFP Lifestyle seminar series

SMSFs: If you want to find out whether do-it-yourself super could be something for you, join our Self Managed Super Fund seminar presented by superannuation industry researcher and commentator Andrew Inwood. The next one is on 14 September 2011 in Moorabbin, Victoria.

Are you confident about retiring?: This retirement lifestyle seminar provides information on a range of topics, such as pensions, estate planning and Centrelink services.

Member Forum: This year's member forum will build on the success of two held last year and will focus on investments. It will be held in the second week of October at Hoppers Crossing and will later be recorded and uploaded to the website for everyone to view.

When?	What?	Where?
30 August	Are you confident about retiring?	Essendon
14 September	Self-managed superfunds	Moorabbin
13 October	Member Forum	Hoppers Crossing
26 October	Are you confident about retiring?	Traralgon
9 November	Are you confident about retiring?	Geelong

Member Adviser service puts help within reach

If you're looking for help and advice with your super, we now offer a comprehensive range of services tailored to your needs.



Brett Hynes is our new Member Adviser and offers a superannuation-specific service that sits between the factual information that you can obtain from our Helpline and the full-service advice available through Equipsuper Financial Planning.

This new service has been developed to provide members with advice on the investments, insurance and contributions arrangements and options associated with their fund membership.

Our experience was that, beyond general information, most member requests for advice are about superannuation arrangements within the fund. This doesn't call for comprehensive financial planning. It's much more clearly defined and can be delivered more cost-effectively to members through a Member Adviser.

A Member Adviser phone consultation, which also includes a written Statement of Advice, will cost \$75 (including GST).

For more information, or to get started on receiving some advice you can call our **Helpline 1800 682 626**.

Order the 2010/2011 Annual Report now

The Equipsuper *2011 Annual Report*, containing fund information for the 2010-11 financial year, will be available for you to download from our website www.equipsuper.com.au during October 2011. In the interest of reducing our output of paper, and minimising printing and distribution costs, we will not send you a printed copy by mail unless you request it.

We have provided a registration link on the home page of our website to enable you to register your name and address if you wish to receive a printed copy. If you have already registered, there is no need to do it again.

You may also call our **Helpline 1800 682 626** if you would like to receive a mailed copy.

Please note, however, that we will still send your *Member Annual Statement*, containing your personal benefit details, by mail.

What type of advice can you get from Equipsuper?

Facts - Helpline

- > We recommend that, if you are not already an Equipsuper Financial Planning client, you initially contact our **Helpline 1800 682 626**.
- > Our Helpline can provide you with factual information about your Equipsuper benefits, how they work, and the latest returns.
- > The Helpline service is free and the member service representative will help you decide if you need to step up to one of the following advisory services.

Advice about your super - Member Adviser service

- > Our new Member Adviser service can provide you with personal advice about your membership in the Equipsuper Fund on the following topics within your fund:
 - a. *Contributions* "salary sacrifice or after-tax, or both?"
 - b. *Insurance* "how much is enough?"
 - c. *Investments* "which option suits me?"
- > After you have contacted our member adviser you will receive a Statement of Advice (SoA) which is a summary of what the adviser has suggested or recommended to you.
- > This service costs \$75 (inclusive of GST) which is deducted from your Equipsuper account.

Full financial planning - Equipsuper Financial Planning (EFP)

- > For advice requirements that are outside what is described above, Equipsuper's full financial planning service is available.
- > The cost for an initial appointment is \$121 (including GST) and the cost for a standard financial plan is \$880 (including GST). If you have particularly complex financial arrangements a higher fee may apply.
- > Full financial planning can cover all your financial affairs within and outside of superannuation.

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Chairman's message

Andrew Fairley, Chair

The past year will be remembered as defining for Equipsuper. This was confirmed in the last weeks of June as the boards of our Fund and Vision Super reached agreement to bring the two funds together by February 2012.

The new merged fund will take advantage of cost savings achieved by bringing investment management for the two funds together. I am confident that our greater scale, rationalisation of investment managers and access to new investment opportunities will create direct benefits to members and defined benefit employers over time.

Survey results

There were some important points that emerged from the survey of members, employers and staff conducted recently. We have noted the concern of many of you that we should achieve three key outcomes:

- > minimal disruption to services and access;
- > deliver important and timely information to you clearly and in a timely manner; and
- > result in a fund that retains the features and benefits that you most value.

I can assure you that these findings have been communicated to the Boards and management of the two funds, and we will be monitoring and measuring our performance against these very clear objectives.

Upcoming Board elections

Your membership with Equipsuper provides you with a unique entitlement – a vote to elect member representatives to the Equipsuper Board. When you receive information on the election candidates later this year, I strongly encourage you to consider who might best represent your interests in the Fund and ensure you place your vote for your preferred candidate.

On behalf of our Board, I would like to thank you for your continued membership and support of Equipsuper.

Understanding the asset transfer

The merger of Equipsuper and Vision Super does not mean that member assets are immediately combined. The two funds will retain their separate investment options and their underlying assets until we can be sure that neither group of members will be materially disadvantaged by doing so.

While the process of combining some of the more liquid assets like shares, listed property trusts, fixed interest and cash of the two funds will be relatively quick, unlisted assets held directly or through trusts could take more time.

We want to be sure that when we bring these assets together, some groups of members are not inheriting assets from others that disadvantage them.



CEO's message

Danielle Press, Chief Executive Officer

While the integration with Vision Super will demand considerable attention from us over the next 18 months, I want to assure you that we have taken appropriate steps to ensure you experience no reduction in service and advice over that time.

It is extremely pleasing to report that the member satisfaction score in our 2011 survey was a significant improvement on previous years, which I attribute largely to improved member services since we transferred to Mercer in April 2010. You will be encouraged by the fact that we will be keeping member administration with Mercer as we bring the two funds together and take time to consider the best possible options for the longer-term administration of the new merged fund.

In terms of investment performance, Equisuper finished the year on a high note (see investment report on pages 6 and 7). It is a tribute to the professionalism and expertise of our investment team that we outperformed the overall marketplace across all our Diversified investment options over the period. More significantly, though, our investment performance over longer timeframes up to ten years is also on par with the best in the industry, reflecting our consistent focus on achieving the long-term outcomes that are required in superannuation.

Beyond investments, we have also continued to develop our services, in particular in the member education and advice areas. Equisuper Financial Planning continues to grow, with over 700 members now taking advantage of that service.

We have also introduced a Member Adviser service (more on page 3), which offers personal advice on superannuation, insurance and contributions within the fund. While not a free service, it fills the gap between the Helpline, where staff are restricted to providing factual information only, and our full financial planning service.

The member education activities offered through workplaces and after-hours seminars continue to be popular. In addition, we are completing a project that will increase access to

financial education through online video and dedicated web pages for members who are unable to attend a workplace session due to remoteness or size of their business.

One of the most satisfying Equisuper achievements this year was the rollout of a substantially improved insurance product for EquipExpress members. Over 1200 members took the opportunity to review and adjust their insurance cover to suit their needs, enabling us to make a small contribution to addressing the widespread under-insurance problem among Australians.

I trust that the key message you take from this is that the pending integration with Vision Super has not distracted us from our core commitment of continuing to improve your experience of Equisuper.

We are determined to take this philosophy of continuous improvement into the new fund.

Vote for your Future

2012 Equisuper Member Director Election

Your membership of Equisuper provides a quite unique entitlement – a vote to elect member representatives to the Equisuper Board.

You want to know that the people making strategic decisions are ensuring your money is managed and invested to build your wealth, security and lifestyle in the future.

So when you receive 2012 Equisuper election information in the mail, you should make your vote count in building a better fund.

Remember, a vote in the 2012 Equisuper Member Director Election is a *Vote for your Future*.

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Investment section

Back in the double digits

Despite a tricky fourth quarter, which saw equity markets losing some of the ground made earlier in the year, Australian and overseas equities, as well as property propelled Equipsuper's default Balanced Growth option into the double digits for the year. While Australian shares posted the strongest return for the year, all other asset classes also contributed to the overall performance of our balanced options.

Balanced Growth returned 10.19% for the year, outperforming its SuperRatings mean by 1.97%. All Diversified options beat the respective SuperRatings median (similar options from other superfunds).

Investor sentiment remains tentative. Australia's two-speed economy, a possible slowdown in China, the debt crisis in Europe and continued worries about the health of the US economy are some of the factors that have kept markets in a choppy range for quite some time now, with no end in sight.

Performance relative to median (% p.a.) ^ as of 30 June 2011

Diversified investment option	FYTD (%)	1 year (%)	3 year (%)	5 year (%)	10 year (%)
Growth Plus	↑ 2.23	↑ 2.23	↑ 1.33	↑ 0.50	↑ 1.94
Growth	↑ 0.51	↑ 0.51	↑ 1.67	N/A	N/A
Balanced Growth	↑ 1.97	↑ 1.97	↑ 1.74	↑ 1.41	↑ 1.60
Balanced	↑ 0.44	↑ 0.44	↑ 1.81	N/A	N/A
Conservative	↑ 0.92	↑ 0.92	↑ 1.18	↑ 1.05	↑ 0.85

^ For actual investment returns and information on the SuperRatings medians used, please refer to the right.



Equipsuper annual percentage above or below the SuperRatings median return for investment portfolios with similar asset weightings.

Investment returns to 30/06/2011

Superannuation returns *

Diversified Options	FYTD(%)	1 yr	3 yrs	5 yrs	10 yrs
Growth Plus	11.29	11.29	1.09	0.88	5.45
Survey	9.06	9.06	-0.24	0.38	3.51
Growth**	9.94	9.94	2.12	N/A	N/A
Survey	9.43	9.43	0.45	1.36	4.37
Balanced Growth	10.19	10.19	3.15	3.37	6.15
Survey	8.22	8.22	1.41	1.96	4.55
Balanced**	7.96	7.96	4.21	N/A	N/A
Survey	7.52	7.52	2.40	2.43	3.97
Conservative	7.21	7.21	4.96	4.76	5.65
Survey	6.29	6.29	3.78	3.71	4.80

Sector Specific Options

Diversified Options	FYTD(%)	1 yr	3 yrs	5 yrs	10 yrs
Australian Shares	12.66	12.66	1.96	3.20	8.78
Overseas Shares	8.77	8.77	-0.44	-2.17	-0.25
Property	11.31	11.31	-0.08	5.36	8.50
Fixed Interest	5.91	5.91	7.23	5.54	5.54
Cash	4.39	4.39	4.18	4.89	4.69
SRI	8.01	8.01	-1.23	2.31	N/A

Account Based Pension returns ^

Diversified Options	FYTD(%)	1 yr	3 yrs	5 yrs	10 yrs
Growth Plus	12.32	12.32	1.12	1.53	5.97
Growth**	11.67	11.67	2.56	N/A	N/A
Balanced Growth	10.77	10.77	3.44	4.00	6.71
Balanced**	9.25	9.25	4.93	N/A	N/A
Conservative	8.08	8.08	5.72	5.49	6.37

Sector Specific Options

Diversified Options	FYTD(%)	1 yr	3 yrs	5 yrs	10 yrs
Australian Shares	13.22	13.22	1.97	4.17	9.25
Overseas Shares	10.73	10.73	-0.39	-2.33	-0.13
Property	12.77	12.77	0.42	6.32	9.32
Fixed Interest	6.88	6.88	8.45	6.44	6.37
Cash	5.12	5.12	4.87	5.69	5.46
SRI	10.22	10.22	-1.23	N/A	N/A

FYTD = Financial Year to Date

Surveys: The surveys we use for our Diversified investment options are: Growth Plus - SuperRatings (High Growth - All Fund Median); Growth - SuperRatings (Growth - All Fund Median); Balanced Growth - SuperRatings (Balanced - All Fund Median); Balanced - SuperRatings (Conservative Balanced - All Fund Median); Conservative - SuperRatings (Capital Stable - All Fund Median). Allocated Pension returns are generally higher than for superannuation, as no tax is paid on earnings before unit prices are calculated.

The Sustainable Responsible Investment (SRI) option is invested almost entirely in Australian equities.

For more information on the investment objectives and strategies for our investment options, please refer to the Equipsuper website or an Equipsuper PDS.

* Returns are net of tax and investment fees. ^ Returns are net of investment fees.

** The Growth and Balanced investment options were introduced on 2 October 2006. Therefore, 5 and 10-year returns are not yet available for these options. We have, however, provided the benchmark returns for these options.

Past performance is not an indicator of future performance.

These economic issues were ongoing themes throughout the year. The second half of the reporting period saw natural disasters hit Australia, New Zealand and Japan in the March quarter, leaving behind devastation and – in the case of Japan – a nuclear radiation crisis. Meanwhile, political unrest took hold of several countries in North Africa and the Middle East, pushing oil prices higher.

Investors showed mixed reactions toward this wall of worry, unsure about where things were headed, with markets showing quite a bit of movement, both up and down. Below, we provide a brief annual review of the main asset classes our super members invest in.

Australian share market gains on the back of resource stocks

The Australian share market, as measured by the S&P/ASX 300 index returned 11.9% for the year ending June 2011. The resources sector continued to be the market's main engine, with shares gaining over 17%. Big mining companies BHP and Rio Tinto led the overall scoreboard of best annual performers, but smaller miners, such as Iluka and Lynas, also rallied into the top ten. Other well performing sectors included energy, as well as the traditionally defensive utilities and consumer staples segments of the market.

On the negative side, Australian steel producers chalked up losses, as did consumer discretionary companies, hurt by the strong Australian dollar and consumers shopping online. Other sectors at the losing end included telecom and IT.

Overseas equity markets flying high, but Aussie dollar strength wipes out gains

International share markets rallied in local dollar terms, driven by the US, as well as some Asian and European markets. The US market, as measured by the S&P 500 index, posted an impressive 28% gain for the year. In Europe, Germany (+22.3%) and the UK (19.1%) provided strong double-digit returns to investors, while Korea (+23.7%) and Taiwan (+18.1%) led the pack in Asia.

For Australian investors, however, these returns were largely offset by the strong Australian dollar, which appreciated by almost 28% against the US dollar over the year, 18% against the British pound, and about 8% against the euro. For unhedged portfolios, this means that most of the stock market gains would be wiped out by the strong Australian dollar. At Equisuper, we hedge some of the currency exposure, to manage our currency risk.

Property markets post strong returns

Property also recorded a good year. Direct property investments outperformed listed property over the course of the period. The Equisuper property benchmark, a blend of listed and unlisted assets, returned 14.1%.

Domestic bonds solid, buoyed by international investor interest

During the year, the Reserve Bank of Australia increased the overnight cash rate to 4.75% in November. Since then, rates have been on hold, even though a rate hike had been expected in the last quarter to rein in inflation. The asset class further profited from increased interest from global bond investors, who have been attracted to the relatively high interest rates here. For the year, Australian bonds, as measured by the UBSA Composite Bond benchmark, provided a solid 5.6% return.

Elsewhere, bonds returned 6.9% (hedged), as investors continued to buy into the relative safety that the asset class provides, driving up prices and hurting yields.

The beginning of the new financial year has been testing, mostly driven by offshore events. The main issues that have led to the share market selloffs in early August 2011 have been around for quite some time, as investors have questioned the health of government balance sheets, particularly those of the US and some European countries.

Equisuper's investment team believes that investors may continue to be faced with challenges for some time. The impact of high government debt across the developed world is likely to contribute to ongoing market volatility in coming months. However, there are reasons to believe that equity prices will find support. Equity valuations are attractive and prospective returns should reflect that value once market sentiment improves.

To receive a more detailed investment report every quarter via e-mail, you can register at 'Free subscriptions' on our website www.equisuper.com.au.

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 Enter now

We recently launched our new member education program. Called *Activ8 your super*, the multi-faceted program offers relevant and easy-to-understand tips and tricks that help you translate learning into action, and make the most of your super.

We have structured the information to your specific interests and needs. We currently offer five main modules:

Activ8 your money

If you are under 35

For you, super might as well just be another tax – money removed from your pay, when you could use it better elsewhere. However, this is your money — put it to work now to reap rich rewards later!

Activ8 your thinking

If you are between 35 and 50

This is a time in your life where your financial and personal commitments are still growing. Super can play a role in increasing your and your family's financial security through cost-effective insurance, while also increasing your wealth for later in life.

Activ8 your planning

If you are 50 or over

While you're definitely not ready to retire yet, you are also not too far off being able to access your super through a transition-to-retirement pension. This module talks about the options and considerations once you are approaching and planning your retirement.

Activ8 your benefit

If you are in a defined benefit plan, aged 55 and over

It's not too late to boost your retirement savings – let us show you how. We also talk about some basic investment questions that are important if you have an accumulation account or if you are preparing to retire soon.

Activ8 your investments

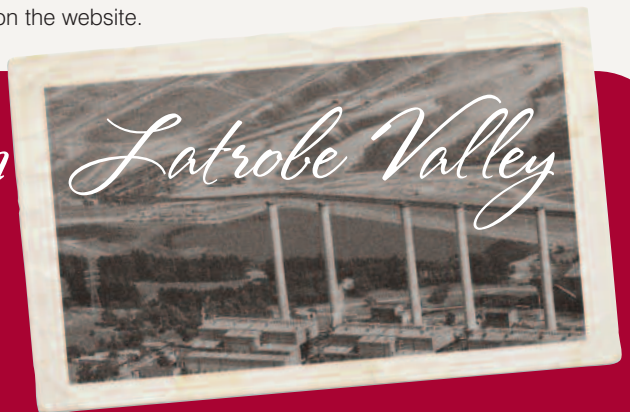
For everyone

Your super is most likely the longest-running investment portfolio you'll ever have. It can pay off big time to take charge of it. This module provides you with tips, tools and tactics to make you a smarter investor.

Talk to your HR manager about attending one of our sessions at your workplace. You can also request a workplace presentation via the website www.equipsuper.com.au using the *Workplace Seminars* link under the *More for Employers* tab. Alternatively, you can view short videos on the website.

Historic Photo Competition

Equipsuper is celebrating 80 years of providing superannuation to the electricity industry. Equipsuper began in the Latrobe Valley and has maintained a strong presence over the past 80 years, recently boosted by the opening of an Equipsuper Financial Planning office in Traralgon. To celebrate our association with the region, we are running a competition in search of the best historical photographs. To find out more, visit www.equipsuper.com.au.



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.

Equipsuper Financial Planning Pty Ltd

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