

# Annual Report

Year ending 30 June 2012



## Inside:

- Acumen financial statements 2012
- Your investment options update

**Acumen**  
REST SUPER SOLUTIONS



**W**ell, it has certainly been an interesting and challenging year for Acumen and for the Australian superannuation industry.

Australia is embarking on one of the largest reforms to super since the introduction of the superannuation guarantee contributions in the early 90's and we are pleased to have participated in discussion with government and industry on behalf of our members during this time.

The 'Stronger Super' reforms are aimed at making the super system stronger, more efficient and will over time help maximise retirement income for everyone. The reforms include the introduction of MySuper a new, simple and low cost superannuation product to replace default products.

It's been a busy year for all of us here at REST and we remain fully committed to our 1.9 million members, and to helping them achieve successful retirement outcomes.

Yours sincerely,

Damian Hill  
CEO

## Stronger Super reforms

Australia is embarking on one of the most significant reforms to super since the introduction of the super guarantee (SG). The 'Stronger Super' reforms are aimed at making the super system stronger and more efficient and will help maximise retirement income for all Acumen members.

### Key changes that will benefit members include:

- more information about your super contributions from your employer and your super fund so you know how much your employer is paying and when
- changes to the ATO's online Super Seeker service will enable you to search for both lost and active super accounts and combine them into your chosen account
- a new 'MySuper' product as a default fund for employers to pay SG contributions. MySuper products will be simple and low cost to members. REST already meets most of the criteria
- a number of 'back end' improvements to the administration of the super industry which will in turn make it easier for Acumen to look after your super and reduce multiple accounts.
- mandatory data and e-commerce standards to help improve the data and processing across the super industry.

**These enhancements are still being developed and will be rolled out between July 2012 and July 2017.**

This document forms part of our annual reporting to members for the year ending 30 June 2012. The other part of our annual reporting is your Member statement, Important Information and What's New and Acumen Update.

## Contact Acumen



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Issued by Retail Employees Superannuation Pty Limited  
ABN 39 001 987 739 AFSL 240003  
Retail Employees Superannuation Trust ABN 62 653 671 394

# Acumen financial statements 2012

## Statement of net assets

On this page are the 'Changes in net assets' and 'Statement of net assets' from 2011 to 2012.

The information on this page is an abbreviated version of the full annual financial report, which has been audited by PricewaterhouseCoopers Chartered Accountants.

If you would like a copy of the full financial statements please download a copy at [www.acumensuper.com.au](http://www.acumensuper.com.au) under Forms and Publications > Annual Reports > Financials, call **1300 305 779** or write to us at Acumen Super, Locked Bag 5037, Parramatta NSW 2124.

Changes in net assets		
	\$ Million	
	2012	2011
<b>Net market value of assets available to pay benefits at beginning of the financial year</b>	20,444.1	17,581.7
<b>PLUS</b>		
Contributions by employers	2,322.8	2,104.6
Contributions by members	221.6	247.8
Rollovers into REST	560.7	513.8
Net group life proceeds received	138.5	103.6
Interest earned	2.3	2.5
Group life rebate	0.0	0.0
Other revenue	0.1	0.2
Investment earnings (including changes in net market values)	396.5	1,808.0
<b>Total gross income for the year</b>	<b>3,642.5</b>	<b>4,780.5</b>
<b>LESS</b>		
Benefits paid	1,309.7	1,078.0
Administration costs	115.1	101.5
Investment management charges	81.4	78.1
Custodian fees	2.6	4.6
Group life insurance premiums	313.6	269.2
Taxes	272.7	386.7
<b>Total outgoings</b>	<b>2,095.1</b>	<b>1,918.1</b>
<b>Net market value of assets available to pay benefits at end of the financial year</b>	<b>21,991.5</b>	<b>20,444.1</b>

## Auditor's approval

We have audited the financial statements of Retail Employees Superannuation Trust for the year ending 30 June 2012 in accordance with Australian Auditing Standards. In our opinion the information reported in the abridged financial statements is consistent with the annual financial report from which it is derived and upon which we expressed an unqualified audit opinion in our report to the members, dated 14 September 2012. For a better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual financial report.

PricewaterhouseCoopers Chartered Accountants  
**D. Coogan**, Partner

## Statement of net assets

	\$ Million	
	2012	2011
<b>Securities</b>		
Australian listed shares	5,114.5	5,289.4
Australian bonds	1,155.0	1,223.7
Discount securities	2,312.9	2,067.1
Overseas listed shares	4,998.3	4,257.8
Overseas bonds	1,226.8	1,099.1
<b>Other</b>		
Unlisted trust units (cash)	0.0	0.0
Unlisted trust units (property)	1,257.1	1,013.7
Unlisted trust units (growth alternatives)	1,826.6	1,709.0
Unlisted trust units (defensive alternatives)	1,037.4	990.0
Unlisted trust units (other)	1,513.1	1,309.2
Derivatives	326.8	755.1
Cash/other	926.6	846.3
Direct property	671.4	633.2
<b>Total investments</b>	<b>22,366.5</b>	<b>21,193.6</b>
Amount receivable	135.0	138.5
Other assets	260.1	148.5
<b>Total assets</b>	<b>22,761.6</b>	<b>21,480.6</b>
<b>LESS</b>		
Benefits payable	84.7	66.4
Liability for taxation	113.2	181.9
Derivatives	203.2	385.5
Other liabilities	369.0	402.7
<b>Total liabilities</b>	<b>770.1</b>	<b>1,036.5</b>
<b>NET ASSETS</b>	<b>21,991.5</b>	<b>20,444.1</b>

## Reserves

The Fund has a number of reserves, including a contingency reserve, capital reserve, group life insurance reserve and administration reserve. As at 30 June 2012, the total reserves were valued at \$156 million. These reserves are maintained and used in accordance with the Fund's reserving policy, such as to meet any contingencies and provide for future capital requirements, or insurance and administration payments. The Fund currently has adequate provisions in its reserves.

## Movement in the Fund's reserves

Year	\$ Million
2010	59.5
2011	3.3
2012	(17.3)

The Trustee reserves the right to adjust the crediting rate and/or unit prices in accordance with its reserving policy without prior notice.

# Your investment options

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Acumen offers 13 investment options to members who have \$1,000 or more to invest. If you have less than \$1,000 in your account, Acumen will invest your money in our Core Strategy investment option unless your employer chooses another investment option as the default option. At Acumen, you can:

- choose not to make an investment choice, in which case you'll be invested in your Plan's default option
- mix and match across all options to create your own portfolio
- choose to invest your current super savings differently to your future contributions
- switch to another option(s). Four switches in each financial year are free. A \$20 fee applies per switch request thereafter.

In addition, it's important to note that:

- your switch will become effective 5 business days after the Trustee receives your request. Where this falls on a weekend or national holiday, your switch will be processed on the next business day
- before switching your investments or leaving the Fund, you should check the current value (in units) of your investment
- if you are in the Core Strategy, you should check the crediting rate that applies prior to leaving.

When looking at Acumen's investment options on pages 6 to 9, it's important to keep in mind the following investment basics:

- your investment in this Fund is not guaranteed. Past performance is not necessarily an indication of future performance
- the value of your investment can rise or fall
- returns are quoted to give an indication of the expected relative performances of the investment options over the long-term
- we will tell you if more than 5% of the Fund's assets are invested in any one investment. On 30 June 2012, the Fund had no more than 5% of the Fund's assets invested in any one investment.

## What are derivatives?

We allow our investment managers to use derivatives. Derivatives include futures, options and swap contracts. They are used to protect the value of portfolios against falling prices and to enable managers to change their investment exposure in different markets or sectors without buying or selling the actual securities.

The attraction of derivatives is that they can give investors the same degree of market exposure as the underlying assets, but with much lower transaction costs. The significant risk for these types of investments is that losses may occur where there is an adverse movement in the underlying securities. In the long-term, the use of derivatives is expected to increase the Fund's investment returns and reduce risk, although the effect will vary from year to year.

The Fund imposes on its investment managers strict policies and procedures on their use of derivatives.

## What is the Standard Risk Measure?

The Standard Risk Measure is a guide as to the likely number of negative annual returns expected over any 20 year period. The purpose of the Standard Risk Measure is to provide members with a label to assist in comparing investment options both within and across various superannuation funds. Commonly, the higher the volatility, the riskier the option. That's why, over the long run, your time frame is perhaps the most critical component in planning your investments. Members need to ensure they are comfortable with the risks and potential losses associated with their chosen investment options. Good advice from an experienced, well informed financial adviser can help you better understand the risks and potential losses associated with your chosen investment option. The estimations provided by REST for our various investment options are calculated using a number of assumptions about how investment markets are forecast to perform, how much fluctuations in returns there is likely to be and how different asset classes are related.

## Acumen's Property Option

Acumen's Property Option has a benchmark allocation of 100% to direct property and unlisted property trusts. These investments are not listed and are not traded frequently in the marketplace, such as the share market. They are effectively an "illiquid" asset, which means that they cannot be bought and sold quickly, and valuations are updated less frequently than is the case for listed investments.

## Members invested in the Core Strategy investment option

### How are returns credited to my account?

If your super is invested in the Core Strategy, a crediting rate is generally calculated twice weekly. Returns are credited to your account at the end of each financial year or earlier if you leave Acumen or switch out of the Core Strategy. Your credited returns may be positive or negative. Taxes, fees, charges and insurance costs will also affect your account balance.

## Members not invested in the Core Strategy investment option

### What are unit prices and why do my returns fluctuate?

If you invest in the Structured or Member-tailored Options, your money will purchase a number of units in the investment option(s) of your choice. The number of units purchased depends on the value of the units (called the unit price) at the date of purchase.

The value of your account balance may go up and down, depending on variations to the unit price of your chosen investment option(s) and the amount of taxes, fees, charges and insurance costs applied to your account. Your member statement will show your account balance as a dollar value and as a number of units for the Structured and Member-tailored Options.

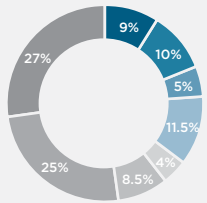
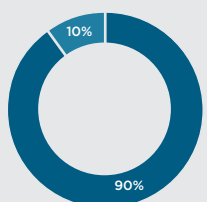
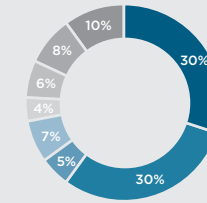
## Who's managing your money?

The Trustee has carefully selected external investment managers. These investment managers, alongside the Fund's wholly-owned investment manager, Super Investment Management Pty Limited, undertake the day to day management of the Fund's investments.

Investment managers as at 30 June 2012	
	% Managed
Allan Gray Australia	0.4%
AMP Capital Investors	2.3%
Apollo	1.5%
Aurora Investment Management	1.3%
Babson Capital	1.9%
Baillie Gifford Overseas Ltd	2.5%
Balanced Equity Management	6.6%
Bentham	1.6%
Brandes	2.7%
Brandywine	3.9%
Charter Hall	1.3%
Colonial First State	6.5%
Cooper Investors	5.0%
Fauchier Partners	2.5%
Franklin Templeton	2.0%
Global Thematic Partners	1.2%
GMO (Australia)	2.2%
Goldman Sachs	0.4%
GPT	1.1%
Greencape	2.1%
Holowesko	2.0%
MFS Asset Management	4.9%
Orion Asset Management	2.7%
Paradice Investment Management	7.7%
Putnam	1.2%
Pzena Investment Management	2.8%
Renaissance Asset Mgt	0.3%
Super Investment Management*	20.8%
Taube Hodson Stonex	1.4%
T.Rowe Price	2.4%
UBS	1.6%
Warakirri	0.8%
Wellington	2.4%

\* Super Investment Management Pty Ltd ABN 86 079 706 657 (Australian Financial Services Licence Number 240004) is a wholly-owned company of REST. Super Investment Management Pty Limited, like other investment managers of REST, receives a fee for its investment management services, REST deals with Super Investment Management Pty Limited on an arms-length basis.

# Your investment options (cont).

	Core Strategy	Structured options																																																					
		Cash Plus	Capital Stable																																																				
<b>Objective<sup>1</sup></b>	To achieve a balance of risk and return by investing in both growth assets and defensive assets.	Maintain the purchasing power of the funds invested by earning a slightly higher return on cash while minimising the risk of any capital loss.	A stable pattern of returns that at the same time maintains a low probability of a negative return in any one year.																																																				
<b>Target return<sup>2</sup></b>	CPI + 3% pa over the long-term (rolling 5 year periods).	Outperform the UBSA Bank Bill Index over the short-term (rolling 2 year periods).	CPI + 1% pa over the medium-term (rolling 4 year periods).																																																				
<b>Asset allocation<sup>3</sup></b>	<p>25% defensive, 75% growth</p> <p>A mix of shares and bonds, property, infrastructure, alternative assets and cash.</p>  <table border="1"> <tr><td>Cash securities</td><td>9%</td><td>(10%)</td><td>(0-25%)</td></tr> <tr><td>Bonds</td><td>10%</td><td>(10%)</td><td>(5-75%)</td></tr> <tr><td>Defensive alternatives</td><td>5%</td><td>(5%)</td><td>(0-25%)</td></tr> <tr><td>Growth alternatives</td><td>11.5%</td><td>(11%)</td><td>(0-25%)</td></tr> <tr><td>Infrastructure</td><td>4%</td><td>(6%)</td><td>(0-15%)</td></tr> <tr><td>Property</td><td>8.5%</td><td>(13%)</td><td>(0-25%)</td></tr> <tr><td>Australian shares</td><td>25%</td><td>(20%)</td><td>(15-45%)</td></tr> <tr><td>Overseas shares</td><td>27%</td><td>(25%)</td><td>(5-35%)</td></tr> </table> <p>The first percentage value is the actual asset allocation as at 30 June 2012 (as shown in chart). The middle figures in brackets are the asset allocation benchmarks as at 30 June 2012. The bold figures in brackets are the asset allocation ranges as at 30 June 2012.</p>	Cash securities	9%	(10%)	(0-25%)	Bonds	10%	(10%)	(5-75%)	Defensive alternatives	5%	(5%)	(0-25%)	Growth alternatives	11.5%	(11%)	(0-25%)	Infrastructure	4%	(6%)	(0-15%)	Property	8.5%	(13%)	(0-25%)	Australian shares	25%	(20%)	(15-45%)	Overseas shares	27%	(25%)	(5-35%)	<p>100% defensive</p> <p>Cash Plus includes a small allocation to Defensive Alternatives. Cash consists of a portfolio of securities with a low level of interest rate risk (12 months or less), including bank deposits, bank bills, commercial paper and floating rate notes, for example, residential mortgage backed securities.</p>  <table border="1"> <tr><td>Cash securities</td><td>90%</td></tr> <tr><td>Defensive alternatives</td><td>10%</td></tr> </table>	Cash securities	90%	Defensive alternatives	10%	<p>65% defensive, 35% growth</p> <p>Mainly bonds and cash, with smaller proportions of shares, property, infrastructure and alternative assets.</p>  <table border="1"> <tr><td>Cash securities</td><td>30%</td></tr> <tr><td>Bonds</td><td>30%</td></tr> <tr><td>Defensive alternatives</td><td>5%</td></tr> <tr><td>Growth alternatives</td><td>7%</td></tr> <tr><td>Infrastructure</td><td>4%</td></tr> <tr><td>Property</td><td>6%</td></tr> <tr><td>Australian shares</td><td>8%</td></tr> <tr><td>Overseas shares</td><td>10%</td></tr> </table>	Cash securities	30%	Bonds	30%	Defensive alternatives	5%	Growth alternatives	7%	Infrastructure	4%	Property	6%	Australian shares	8%	Overseas shares	10%
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<b>Time horizon</b>	Medium to long: 3 to 5+ years	Short: 1 to 2+ years	Short to medium: 3+ years																																																				
<b>Standard risk measure<sup>4</sup></b>	Estimated number of negative annual returns over any 20 year period, 3 to less than 4	Estimated number of negative annual returns over any 20 year period, less than 0.5 of a year	Estimated number of negative annual returns over any 20 year period, 1 to less than 2																																																				
<b>Risk band and level<sup>5</sup></b>	Risk band 5, Medium to High	Risk band 1, Very Low	Risk band 3, Low to Medium																																																				
<b>What this option has returned<sup>6</sup></b>	<table border="1"> <thead> <tr> <th></th> <th>Earned</th> <th>Credited<sup>†</sup></th> </tr> </thead> <tbody> <tr><td>2008</td><td>-4.03%</td><td>-3.95%</td></tr> <tr><td>2009</td><td>-7.62%</td><td>-7.82%</td></tr> <tr><td>2010</td><td>11.56%</td><td>11.40%</td></tr> <tr><td>2011</td><td>9.63%</td><td>9.56%</td></tr> <tr><td>2012</td><td>1.01%</td><td>0.85%</td></tr> <tr><td>Five year compound average</td><td>1.84% pa</td><td>1.73% pa</td></tr> </tbody> </table>		Earned	Credited <sup>†</sup>	2008	-4.03%	-3.95%	2009	-7.62%	-7.82%	2010	11.56%	11.40%	2011	9.63%	9.56%	2012	1.01%	0.85%	Five year compound average	1.84% pa	1.73% pa	<table border="1"> <tbody> <tr><td>2008</td><td>4.90%</td></tr> <tr><td>2009</td><td>1.29%</td></tr> <tr><td>2010</td><td>4.76%</td></tr> <tr><td>2011</td><td>4.65%</td></tr> <tr><td>2012</td><td>4.01%</td></tr> <tr><td>Five year compound average</td><td>3.91% pa</td></tr> </tbody> </table>	2008	4.90%	2009	1.29%	2010	4.76%	2011	4.65%	2012	4.01%	Five year compound average	3.91% pa	<table border="1"> <tbody> <tr><td>2008</td><td>0.38%</td></tr> <tr><td>2009</td><td>-2.78%</td></tr> <tr><td>2010</td><td>10.07%</td></tr> <tr><td>2011</td><td>6.60%</td></tr> <tr><td>2012</td><td>4.21%</td></tr> <tr><td>Five year compound average</td><td>3.60% pa</td></tr> </tbody> </table>	2008	0.38%	2009	-2.78%	2010	10.07%	2011	6.60%	2012	4.21%	Five year compound average	3.60% pa							
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Investment options with an exposure to the Australian shares asset class may include companies listed in Australia whose legal domicile is overseas. In addition, up to 10% of this asset class may be invested in stocks listed on the New Zealand Stock Exchange.

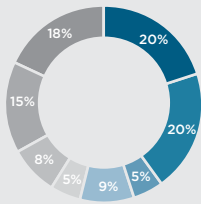
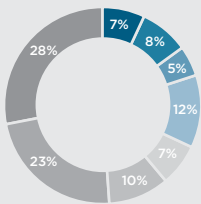
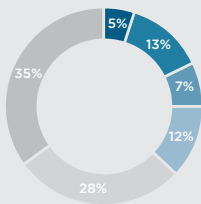
<sup>†</sup> Crediting rates have differed from actual earning rates in some years, and for more information visit [www.rest.com.au](http://www.rest.com.au) and click on Performance & Investments.

**1 Objective** - This is the goal or objective of the investment option.

**2 Target return** - This is what the Trustee uses to determine asset allocation. It is also used to measure if the investment objective is met. It is not a guaranteed rate of return.

**3 Asset allocation** - For the Core Strategy option, the asset allocation will vary year to year within the ranges shown in brackets. This also means the allocation to defensive assets and growth assets will vary from time to time.

## Investment Options

Balanced	Diversified	High Growth																																												
A good balance of risk and return by investing in approximately equal proportions of growth assets and defensive assets.	Strong returns over the longer term by investing in a diversified mix of assets weighted towards shares and other growth assets.	Maximise returns over the long-term by investing predominantly in growth assets.																																												
CPI + 2% pa over the medium-term (rolling 4 year periods).	CPI + 3% pa over the long-term (rolling 5 year periods).	CPI + 4% pa over the very long-term (rolling 7 year periods).																																												
45% defensive, 55% growth A balanced mix of shares and bonds, property, infrastructure, alternative assets and cash.	20% defensive, 80% growth Mainly shares, property, infrastructure and alternative assets, with some bonds and cash.	5% defensive, 95% growth Shares, property, infrastructure and alternative assets.																																												
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■ Infrastructure	7%																																													
■ Property	10%																																													
■ Australian shares	23%																																													
■ Overseas shares	28%																																													
■ Defensive alternatives	5%																																													
■ Growth alternatives	13%																																													
■ Infrastructure	7%																																													
■ Property	12%																																													
■ Australian shares	28%																																													
■ Overseas shares	35%																																													
Medium to long: 3 to 5+ years	Long: 5+ years	Long: 7+ years																																												
Estimated number of negative annual returns over any 20 year period, 2 to less than 3	Estimated number of negative annual returns over any 20 year period, 3 to less than 4	Estimated number of negative annual returns over any 20 year period, 4 to less than 6																																												
Risk band 4, Medium	Risk band 5, Medium to High	Risk Band 6, High																																												
<table style="width: 100%; border-collapse: collapse;"> <tr><td style="border-bottom: 1px solid black;">2008</td><td style="border-bottom: 1px solid black; text-align: right;">-2.93%</td></tr> <tr><td style="border-bottom: 1px solid black;">2009</td><td style="border-bottom: 1px solid black; text-align: right;">-6.25%</td></tr> <tr><td style="border-bottom: 1px solid black;">2010</td><td style="border-bottom: 1px solid black; text-align: right;">11.52%</td></tr> <tr><td style="border-bottom: 1px solid black;">2011</td><td style="border-bottom: 1px solid black; text-align: right;">7.06%</td></tr> <tr><td style="border-bottom: 1px solid black;">2012</td><td style="border-bottom: 1px solid black; text-align: right;">2.78%</td></tr> <tr><td>Five year compound average</td><td style="text-align: right;">2.23% pa</td></tr> </table>	2008	-2.93%	2009	-6.25%	2010	11.52%	2011	7.06%	2012	2.78%	Five year compound average	2.23% pa	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="border-bottom: 1px solid black;">2008</td><td style="border-bottom: 1px solid black; text-align: right;">-6.02%</td></tr> <tr><td style="border-bottom: 1px solid black;">2009</td><td style="border-bottom: 1px solid black; text-align: right;">-10.23%</td></tr> <tr><td style="border-bottom: 1px solid black;">2010</td><td style="border-bottom: 1px solid black; text-align: right;">12.86%</td></tr> <tr><td style="border-bottom: 1px solid black;">2011</td><td style="border-bottom: 1px solid black; text-align: right;">7.28%</td></tr> <tr><td style="border-bottom: 1px solid black;">2012</td><td style="border-bottom: 1px solid black; text-align: right;">0.94%</td></tr> <tr><td>Five year compound average</td><td style="text-align: right;">0.61% pa</td></tr> </table>	2008	-6.02%	2009	-10.23%	2010	12.86%	2011	7.28%	2012	0.94%	Five year compound average	0.61% pa	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="border-bottom: 1px solid black;">2008</td><td style="border-bottom: 1px solid black; text-align: right;">-8.15%</td></tr> <tr><td style="border-bottom: 1px solid black;">2009</td><td style="border-bottom: 1px solid black; text-align: right;">-12.71%</td></tr> <tr><td style="border-bottom: 1px solid black;">2010</td><td style="border-bottom: 1px solid black; text-align: right;">13.72%</td></tr> <tr><td style="border-bottom: 1px solid black;">2011</td><td style="border-bottom: 1px solid black; text-align: right;">7.35%</td></tr> <tr><td style="border-bottom: 1px solid black;">2012</td><td style="border-bottom: 1px solid black; text-align: right;">-0.39%</td></tr> <tr><td>Five year compound average</td><td style="text-align: right;">-0.51% pa</td></tr> </table>	2008	-8.15%	2009	-12.71%	2010	13.72%	2011	7.35%	2012	-0.39%	Five year compound average	-0.51% pa								
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For all options other than the Core Strategy:

- The allocation to an individual asset class may vary by +/- 5% from the benchmark allocation shown, but not below 0% or more than 100% for an individual asset class;
- Where an option does not currently have a benchmark allocation to Cash, an allocation of up to 5% may be introduced; and
- The overall allocation to growth assets and defensive assets may vary by +/- 10% from the allocation shown.

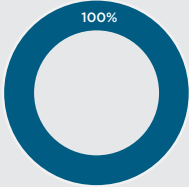
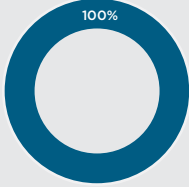
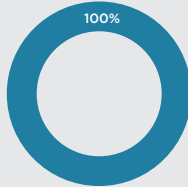
REST's Trustee reserves the right to vary the asset allocations, including the benchmarks and ranges, of all or any of the investment options, introduce new options or close existing options without prior notice.

**4 Standard Risk Measure** - This is a guide as to the likely number of negative annual returns expected over any 20 year period. See 'What is the Standard Risk Measure?' on page 4.

**5 The risk band and risk level** is based on the Standard Risk Measure. The Standard Risk Measure ranges across seven risk bands, from 1 (very low risk) to 7 (very high risk).

**6 What this option has returned** - Returns are quoted at 30 June each year after fees not directly charged to your account and taxes have been deducted. The returns stated are correct as at 30 June 2012. Please note that past performance is not an indication of future performance.

## Your investment options (cont).

	Member-tailored options																																		
	Basic Cash	Cash	Bond																																
<b>Objective<sup>1</sup></b>	Provide members with the opportunity to construct portfolios that are appropriate to their own particular circumstances. A member's portfolio may be constructed from one or more of the Basic Cash, Cash, Bond, Property, Shares, Australian Shares and Overseas Shares options, as well as from the Structured options and the Core Strategy. This permits the construction of members' portfolios with an extremely wide range of risk/return objectives.																																		
<b>Target return<sup>2</sup></b>	Match the return of the Reserve Bank cash rate target before tax and before fees over rolling 1 year periods.	Perform in line with the UBSA Bank Bill Index (before tax and after fees) over rolling 1 year periods.	Outperform the benchmark return (before tax and after fees) over rolling 2 year periods. The benchmark is calculated using the UBSA Composite Bond Index, UBSA Inflation Linked Bond Index, Citigroup World Government Bond Index (hedged), and Barclays Global Inflation linked Index (hedged).																																
<b>Asset allocation<sup>3</sup></b>	<p>100% defensive</p> <p>The portfolio will invest in deposits with, or short-term discount securities (bank bills and negotiable certificates of deposit) issued by, banks rated at least AA- at the time of purchase. It may also invest in short-dated debt issued and guaranteed by the Australian Commonwealth or State Governments. All securities will have a maximum term to maturity of one month.</p> <div style="text-align: center;">  <p>100% Cash securities 100%</p> </div>	<p>100% defensive</p> <p>A portfolio of securities with a low level of interest rate risk (12 months or less), including bank deposits, bank bills, commercial paper and floating rate notes, for example, residential mortgage backed securities.</p> <div style="text-align: center;">  <p>100% Cash securities 100%</p> </div>	<p>100% defensive</p> <p>A mixture of Australian and overseas debt securities issued by Governments, semi-government authorities and companies. Bonds typically have a fixed coupon paid on a regular basis and are exposed to both interest rate risk (the impact that changing interest rates have on bond values) and default risk.</p> <div style="text-align: center;">  <p>100% Bonds 100%</p> </div>																																
<b>Time horizon</b>	Very short: less than three months	Short: 1 to 2 years	Short to medium: 3+ years																																
<b>Standard risk measure<sup>4</sup></b>	Estimated number of negative annual returns over any 20 year period, less than 0.5 of a year	Estimated number of negative annual returns over any 20 year period, less than 0.5 of a year	Estimated number of negative annual returns over any 20 year period, 3 to less than 4																																
<b>Risk band and level<sup>5</sup></b>	Risk band 1, Very Low	Risk band 1, Very Low	Risk band 5, Medium to High																																
<b>What this option has returned<sup>6</sup></b>	<p>The Basic Cash option was introduced on 1 October 2009</p> <table border="1"> <tr><td>2010</td><td>3.09%</td></tr> <tr><td>2011</td><td>4.17%</td></tr> <tr><td>2012</td><td>3.78%</td></tr> <tr><td>The three years compound average was</td><td>3.68% pa</td></tr> </table>	2010	3.09%	2011	4.17%	2012	3.78%	The three years compound average was	3.68% pa	<table border="1"> <tr><td>2008</td><td>5.00%</td></tr> <tr><td>2009</td><td>1.92%</td></tr> <tr><td>2010</td><td>4.64%</td></tr> <tr><td>2011</td><td>4.63%</td></tr> <tr><td>2012</td><td>3.92%</td></tr> <tr><td>Five year compound average</td><td>4.01% pa</td></tr> </table>	2008	5.00%	2009	1.92%	2010	4.64%	2011	4.63%	2012	3.92%	Five year compound average	4.01% pa	<table border="1"> <tr><td>2008</td><td>3.95%</td></tr> <tr><td>2009</td><td>4.54%</td></tr> <tr><td>2010</td><td>12.44%</td></tr> <tr><td>2011</td><td>6.90%</td></tr> <tr><td>2012</td><td>8.86%</td></tr> <tr><td>Five year compound average</td><td>7.29% pa</td></tr> </table>	2008	3.95%	2009	4.54%	2010	12.44%	2011	6.90%	2012	8.86%	Five year compound average	7.29% pa
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Investment options with an exposure to the Australian shares asset class may include companies listed in Australia whose legal domicile is overseas. In addition, up to 10% of this asset class may be invested in stocks listed on the New Zealand Stock Exchange.

**1 Objective** – This is the goal or objective of the investment option.

**2 Target return** – This is what the Trustee uses to determine asset allocation. It is also used to measure if the investment objective is met. It is not a guaranteed rate of return.

**3 Asset allocation** – For the Core Strategy option, the asset allocation will vary year to year within the ranges shown in brackets. This also means the allocation to defensive assets and growth assets will vary from time to time.

For all options other than the Core Strategy:

- The allocation to an individual asset class may vary by +/- 5% from the benchmark allocation shown, but not below 0% or more than 100% for an individual asset class;



Property	Shares	Australian Shares	Overseas Shares
Provide members with the opportunity to construct portfolios that are appropriate to their own particular circumstances. A member's portfolio may be constructed from one or more of the Basic Cash, Cash, Bond, Property, Shares, Australian Shares and Overseas Shares options, as well as from the Structured options and the Core Strategy. This permits the construction of members' portfolios with an extremely wide range of risk/return objectives.			
Outperform both the Mercer Unlisted Property Index (before tax and after fees) over rolling 3 year periods and the 10 year bond rate plus 3% pa (after fees) over rolling 5 year periods.	Outperform the benchmark return (before tax and after fees) over rolling 3 year periods. The benchmark is calculated using the S&P/ASX 300 Accumulation Index and the MSCI All Country World ex-Australia Index in \$AUD.	Outperform the S&P/ASX 300 Accumulation Index (before tax and after fees) over rolling 3 year periods.	Outperform the MSCI All Country World ex-Australia Index in \$AUD (before tax and after fees) over rolling 3 year periods.
100% growth	100% growth A mixture of Australian and overseas shares.	100% growth	100% growth
Medium to long: 3 to 5+ years	Long: 7+ years	Long: 7+ years	Long: 7+ years
Estimated number of negative annual returns over any 20 year period, 3 to less than 4	Estimated number of negative annual returns over any 20 year period, 4 to less than 6	Estimated number of negative annual returns over any 20 year period, 6 years or greater	Estimated number of negative annual returns over any 20 year period, 4 to less than 6
Risk band 5, Medium to High	Risk band 6, High	Risk band 7, Very High	Risk band 6, High
2008 13.52%	2008 -14.08%	2008 -13.14%	2008 -15.59%
2009 -10.62%	2009 -15.50%	2009 -15.48%	2009 -16.36%
2010 0.11%	2010 15.25%	2010 20.63%	2010 9.49%
2011 6.06%	2011 4.97%	2011 8.81%	2011 1.03%
2012 4.52%	2012 -3.46%	2012 -4.77%	2012 -2.40%
Five year compound average 2.40% pa	Five year compound average -3.25% pa	Five year compound average -1.71% pa	Five year compound average -5.28% pa

- Where an option does not currently have a benchmark allocation to Cash, an allocation of up to 5% may be introduced; and
- The overall allocation to growth assets and defensive assets may vary by +/- 10% from the allocation shown.

REST's Trustee reserves the right to vary the asset allocations, including the benchmarks and ranges, of all or any of the investment options, introduce new options or close existing options without prior notice.

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**6 What this option has returned** - Returns are quoted at 30 June each year after fees not directly charged to your account and taxes have been deducted. The returns stated are correct as at 30 June 2012. Please note that past performance is not an indication of future performance.

## Who's in charge?

An eight-member Board of Directors meet regularly to discuss a range of issues relating to the management of REST and the investment of members' money. They are the Directors of the Fund's Trustee company, Retail Employees Superannuation Pty Limited ABN 39 001 987 739. The Trustee's job is to manage the Fund on your behalf. The Directors receive no payment for their duties and neither does the Trustee company.

Of the eight Directors, four represent employees and are nominated by the Shop Distributive and Allied Employees Association (SDA). The other four Directors are nominated by and represent employers, including three major employers participating in REST, and the Australian National Retailers Association (ANRA).

This means that employees and employers are equally represented.

## Departures and arrivals

Effective 21 March 2012, Steven Priestley resigned as a Director, and Glenda Ralph and Clifford Allison resigned as Alternate Directors for Steven Priestley. Clifford Allison was appointed as a Director effective 22 March 2012, and Glenda Ralph and Steven Priestley were appointed as Alternate Directors for Clifford Allison, also effective 22 March 2012.

On 11 April 2012 Douglas Cannan resigned as an Alternate Director to Rohan Jeffs.

Glenda Ralph and Steven Priestley were appointed as Alternate Directors for Margaret Osmond and Rohan Jeffs effective 28 June 2012.

Margaret Osmond resigned as a Director effective 17 August 2012. Glenda Ralph and Steven Priestley resigned as Alternate Directors for Margaret Osmond effective 17 August 2012.

### As at 30 June 2012 the representatives of the Board were:

Employee representation	Appointed by
Joe de Bruyn (Board member since 1988)	SDA
Sue-Anne Burnley (Board member since 1996)	SDA
Geoff Williams (Board member since 2008)	SDA
Ian Blandthorn (Board member since 2008)	SDA
Employer representation	Appointed by
Rohan Jeffs (Board member since 1990)	Woolworths
Margaret Osmond (Board member since 2007)	ANRA
Clifford Allison (Board member since 2012)	Coles Group
Duncan Shaw (Board member since 2010)	Myer

The Directors are supported by a number of Board Committees (which include Investment, Audit, Risk and Compliance, Administration, Strategy Review and Insurance).

The Directors are also supported by Trustee staff who handle the day to day operations of the Fund and external advisers.

## Indemnity insurance

The Fund, the Directors and Officers of the Trustee are covered by professional indemnity insurance primarily through the Chubb Insurance Company of Australia Ltd.

## Advisers and service providers

The following advisers assist the Trustee to provide members with professional service and management. The advisers have been appointed on the basis of quality and cost effectiveness.

None are associated with the Trustee, its Directors or its staff.

### Administration and accounting

Australian Administration Services Pty Limited

### Credit manager

Industry Funds Credit Control Pty Ltd

### Custodian

State Street Australia Limited

### External auditor

PricewaterhouseCoopers

### Group life and income protection insurance

AIA Australia Limited trading as AIA Australia

### Internal auditor

KPMG

### Investment consultant

JANA Investment Advisers Pty Ltd

### Legal advisers

DLA Piper Australia  
TurksLegal  
Minter Ellison

### Tax agent

PricewaterhouseCoopers

### Trustee liability insurance

The Chubb Insurance Co of Australia Ltd  
Chartis Australian Insurance Limited  
Liberty International Underwriters

## Employers in arrears

Sometimes employers can be late with their contributions. While it is often an administrative oversight, we take it seriously and believe contributions should be made to members' super accounts in a timely way. If a payment is not made, we draw the employer's attention to their obligation to make superannuation contributions.

## Keeping your details up to date

To receive updates on your super, remember to let us know if you change your address or employer.

It's easy to update your details. Simply login to MemberAccess at [www.acumensuper.com.au](http://www.acumensuper.com.au) and change your details online. If you don't already have a PIN, you can register for one online. Alternatively, call or write to us to advise your change of details.

If you leave your employer and do not advise Acumen of your intention to roll your benefit out, your benefit may automatically be transferred to REST Personal after 60 days – check your Incorporations by reference material to see if this applies to your plan. You will be able to roll out of REST Personal, if you wish, with no exit fees.

### Temporary residents

A temporary resident who is not a citizen of Australia or New Zealand, is only able to withdraw their superannuation benefits under limited conditions of release. Once 6 months has elapsed since the temporary resident departed Australia, or the Visa has ceased to be of effect then the Australian Taxation Office can require the superannuation fund to transfer the account to it as unclaimed moneys. The moneys can be claimed from the Australian Taxation Office by the temporary resident.

If Acumen is required to transfer your superannuation benefit to the Australian Taxation Office, you will not receive an exit statement from Acumen. For more information go to our website.

### Eligible Rollover Fund (ERF)

Acumen has a broad power to transfer a member's benefits to another fund, called an Eligible Rollover Fund or ERF. Acumen may roll over your benefits to its ERF if:

1. Acumen has attempted to contact you and correspondence has been returned unclaimed (ie you are a 'lost member') and you have an account balance that is insufficient to pay Acumen's fees, or
2. Acumen has been advised that you:
  - have left your employer
  - have an account balance that is insufficient to pay Acumen's fees (note that this will change depending on your investment returns relative to your fees), and
  - have not advised Acumen where you would like to roll over your benefits.

Acumen's ERF is AUSfund and you may contact AUSfund as follows: AUSfund

PO Box 2468

Kent Town SA 5071

Phone 1300 361 798

Email [admin@ausfund.net.au](mailto:admin@ausfund.net.au)

Web [www.unclaimedsuper.com.au](http://www.unclaimedsuper.com.au)

When your benefits are transferred into an ERF, they may be affected because:

- you will cease to be an Acumen member and will no longer have any insurance cover
- you will become a member of AUSfund and will be subject to its governing rules. If Acumen can provide AUSfund with your contact details, AUSfund will send you its Product Disclosure Statement (PDS)
- AUSfund is required to 'member protect' your benefits. Generally, this means you will not be charged administration fees if your investment returns are insufficient to cover the cost, however, government taxes are still deducted
- AUSfund will invest your benefits in a diversified investment strategy, which may provide lower returns than the investment option(s) in which your account is invested in Acumen.

### Compliments and complaints

If you have a compliment, we would love to hear from you. If you have a concern or complaint, please contact us straight away. We will make every effort to resolve your problem quickly. You can make a formal complaint to Acumen online or by phone, email or letter noting that you wish to lodge a complaint.

#### To lodge a complaint online

Visit our website [www.acumensuper.com.au](http://www.acumensuper.com.au) and click on 'Contact us' and 'Concerns and Complaints' and follow the instructions.

#### To lodge a complaint by phone

Call us on 1300 305 779 between 8am and 6pm AEST weekdays.

#### To lodge a complaint by letter

Please address your concerns to:

The Trustee Services Officer

Acumen Super

Locked Bag 5037, Parramatta NSW 2124

Please write 'Complaint' on the envelope and the letter.

Acumen is required to consider your complaint or dispute within 90 days of receiving it. However, in some circumstances it may not be possible to resolve the issue within this period. If the Trustee fails to respond to you within 90 days, or you are not satisfied with the outcome, you may be able to seek an independent ruling from the Superannuation Complaints Tribunal (SCT).

#### Superannuation Complaints Tribunal (SCT)

The SCT is an independent body set up by the Federal Government to settle certain disputes between members and their super funds. The SCT can only become involved after the Trustee's efforts at reaching agreement have failed (i.e. you must first use Acumen's dispute procedures). While sincere attempts will be made to help resolve differences between members and funds, in some instances the SCT may need to make a binding ruling. The SCT does not charge members for its service and can be contacted on 1300 884 114.

# Contact Acumen Super

 [acumensuper.com.au](http://acumensuper.com.au)  1300 305 779



**Acumen**  
REST SUPER SOLUTIONS

**Acumen Annual Report 2012:** Acumen is a division of the Retail Employees Superannuation Trust (REST). Any advice contained in this information is general advice and has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. For more information, contact us for a copy of our Product Disclosure Statement which applies to your circumstances. You should read the Product Disclosure Statement before making any decision about the product. The Trustee has no relationships or associations with any other product issuer that might reasonably be expected to influence us in the provision of the advice. Representatives of REST are paid a salary and do not receive any commissions or fees for the advisory services provided to you. They may however receive a performance related bonus that takes into account the financial services provided. No commissions or fees are paid for the financial product advice we provide, either to representative or to third parties. Issued by Retail Employees Superannuation Pty Ltd, ABN 39 001 987 739, AFSL 240003 as the Trustee of REST, ABN 62 653 671 394. Registered office: Level 7, 50 Carrington Street, Sydney NSW 2000 but please write to us at Locked Bag 5037, Parramatta NSW 2124.

**Your privacy is important to us:** The Trustee knows that keeping your personal information private is very important and we appreciate you trust that we do so carefully and sensibly. Your personal information is very important for the proper management of the Fund. We receive and store information you provide on our secure databases, which are protected in secure facilities. Your information is only accessible by authorised Trustee personnel or authorised service providers who use the information to accurately maintain your account and insurance arrangements. From time to time the Trustee may use general member information for future planning to improve our services to members. Information may be used for the purpose of testing a potential member product or service – including by way of, but not limited to, direct marketing. Unless authorised or required by law or for a purpose set out in the Privacy Policy, the Trustee does not give out information about our members to persons or entities outside our organisation. The Trustee may arrange for a service provider to cross match your personal details with other superannuation funds to help locate any other superannuation accounts in your name. The Trustee may send members communication material, also known as direct marketing material (including marketing material by third parties), about special offers and promotions that are available to members of Acumen. The Trustee may provide your information to preferred financial services and advice companies that are contracted to provide or assist you with your general and personal advice needs. If you do not want the Trustee to use your personal information to send you direct marketing material or if you do not want Acumen's preferred financial services and advice companies to contact you in relation to their services, then please phone 1300 305 779. If you do not provide Acumen with your personal information, you may not be able to receive certain benefits as a member of the Fund. Access to your details is protected. If you would like to review or make any corrections to your personal information login to MemberAccess on the Acumen website. If you have any questions about our Privacy Policy please phone 1300 305 779.

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