

**OVERSEAS SHARES LOSE 16% ON AVERAGE!!!!**

**AUSSIE SHARES LOSE 20% ON AVERAGE!!!!**

**LISTED PROPERTY LOSE 42% ON AVERAGE!!!!**

**SUPERANNUATION MEMBERS BALANCES GO BACKWARDS**

**BUT THERE IS GOOD NEWS FOR CISF MEMBERS**



## HOW DID THE COAL INDUSTRY SUPER FUND COMPARE?

The Coal Industry Superannuation Fund continued to deliver competitive investment returns for the accumulation and pension section of members benefits, with its investment returns performing better than, the market average over the 2008/09 year.

The past year has been a difficult year for investors with heightened levels of volatility and negative returns in the Australian shares, overseas shares and listed property sectors.

The CISF ranked 8th out of 18 when compared with similar growth managers in the Intech Growth Manager survey. The median manager return was -13.7% compared to the CISF -12.0% for the 2008-2009 financial year.

In addition to the out performance over the last year the CISF has also performed above average over the last three years. The median growth manager return over the last three years was -3.8% compared to the CISF -1.8% which ranked CISF 4th in the same survey.

*Note: Returns are after tax and investment fees.*

### Over the last 5 years the Funds earnings and returns to members are as follows:

Accumulation Members	5 Year Av. %	2008-09 %	2007-08 %	2006-07 %	2005-06 %	2004-05 %
CISB NET EARNING RATE	4.8	-12.0	-8.4	17.4	16.4	14.6
CISB CREDITING RATE	4.7	-12.0	-5.0	17.0	15.0	11.7

### Pension Members

CASH NET EARNING RATE	5.9	5.2	7.0	6.2	5.6	5.5
CASH CREDITING RATE	5.9	5.2	7.0	6.2	5.6	5.5

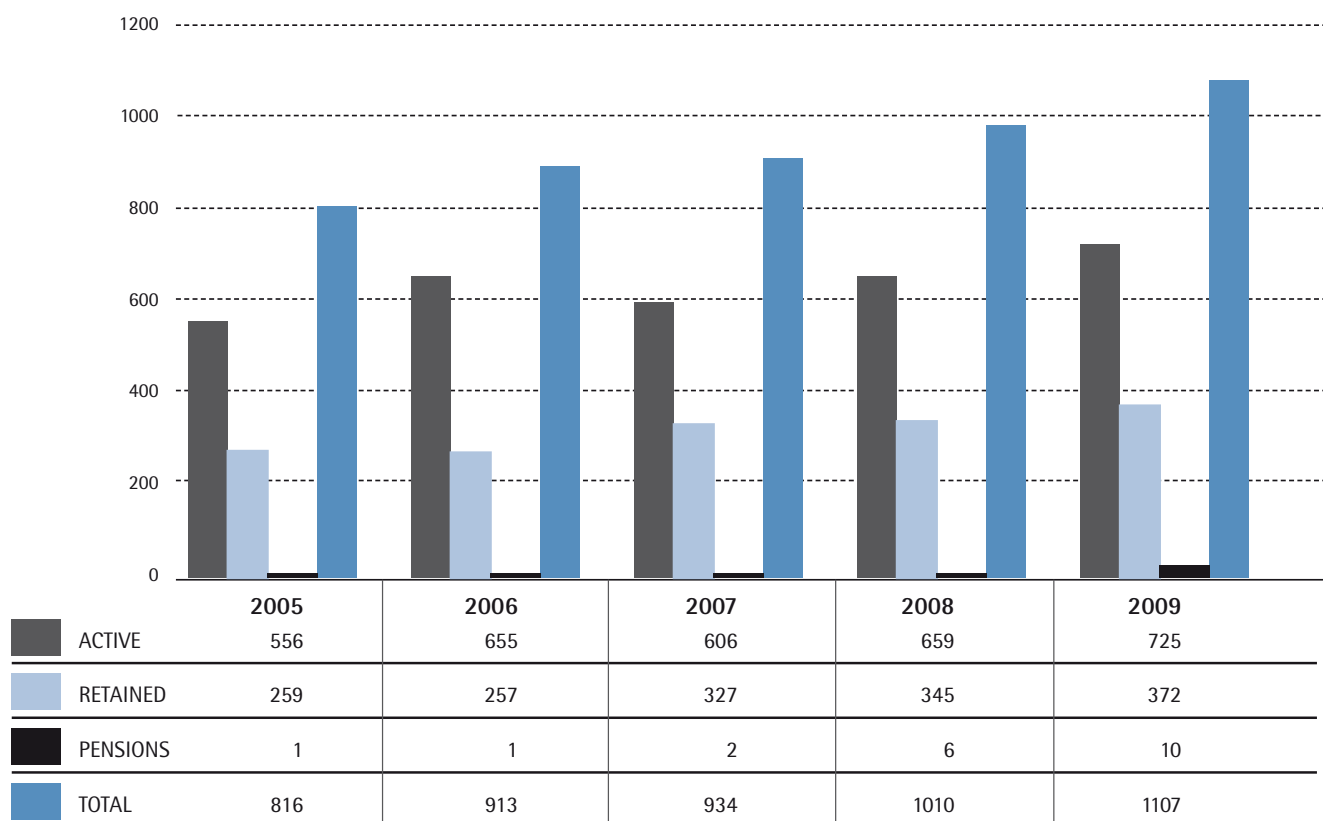
GROWTH NET EARNING RATE	5.8	-12.4	-9.0	18.3	17.4	15.3
GROWTH CREDITING RATE	5.1	-12.4	-5.4	18.9	17.0	15.3

## MORE GOOD NEWS FOR CISF MEMBERS

CISF members have the best of both worlds when it comes to benefits. That is, they can have part accumulation which is linked to investment markets and all permanent employees have a defined benefit which is not affected by the investment markets. Although lower investment market returns resulted in a -12% return for accumulation accounts all CISF members received a 5.7% increase in the defined benefit Benchmark Amount at 30 June 2009.

The defined benefit is calculated by multiplying 12% of the Benchmark Amount (13% for those years worked before 1988) for each year you have been a member of the Fund. The Benchmark Amount is increased on 30 June each year in line with the increases in Average Weekly Ordinary Time Earnings (AWOTE). As mentioned above the 5.7% increase in the Benchmark Amount has been a very healthy increase which helps offset the negative investment returns achieved on accumulation accounts.

Fund membership has also continued to grow at a steady rate since 2005, with members ceasing employment also electing to remain a member of Fund.



## SAVING FOR RETIREMENT MADE SIMPLE BOOKLET



Enclosed with this newsletter is the above booklet which has been designed for members to find out if you are on track for the lifestyle you would like in retirement and if not give you the tools to set your retirement savings goals. If you require any assistance in working through the booklet or need additional copies please do not hesitate to contact the Administration office.

Members should be aware that the exercises appearing in this workbook are of a general nature. Any advice contained in the workbook is general advice and does not consider 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 situations and needs.

The workbook is not intended to be relied on for the purposes of making a decision in relation to your superannuation. You should consider obtaining independent advice from a financial adviser before making any decision about your superannuation.

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## INVESTMENT MARKET UPDATE

### **Equity markets decline but improve late in the year**

The past year has been a difficult year for investors with falls in the Australian share, overseas share and listed property markets. Shares and property were impacted by recessions in a number of major global economies and several corporate collapses. However a rally that began in March helped to reduce the losses for the year.

In light of this, the Coal Industry Superannuation Fund achieved a return of +7.3% over the three months to 30 June 2009, taking total earnings for the 2008/09 financial year to -12.0%.

The Fund has out-performed the average fund manager return of +7.0% over the three months to 30 June 2009 and -13.7% for the 2008/09 financial year.

*Note: Returns are after tax and investment fees.*

### **Australian shares: ▼ 20% on average**

Australian shares declined over the year as the impact of the global economic slowdown led to many investors taking their money out of the share market to invest in more secure, shorter term investments. The global slowdown also resulted in significant falls in commodity prices during the year. A return of investor confidence in the June quarter helped to reverse some of these falls. Resource stocks were amongst the worst performing over the year, falling by around -30% on average. The best performing sectors for the year were the more defensive sectors in Health Care (+0.4%) and Consumer Staples (-3%).

### **Overseas shares: ▼ 16% on average (on an Australian dollar basis)**

Similar to the Australian share market, overseas shares suffered from the impact of the global economic slowdown. The collapse of Lehman Brothers in late 2008 also had a significant impact on markets, as did falling company profits.

### **Listed property: ▼ 42% on average**

Prices of listed property trusts fell overall as large amounts of debt and difficulties in obtaining finance threatened the viability of a number of trusts. Many trusts raised capital on the share market to reduce their level of debt, but concerns about occupancy levels and rental streams of properties within the trusts caused prices to fall further.

### **Other investment markets**

Direct property returned -13% over the year. The return of overseas bonds (+11%) and Australian bonds (+11%) exceeded the return on cash (+5%). The Reserve Bank of Australia (RBA) decreased official interest rates from 7.25% to 3.00% during the year in an effort to stimulate the economy during the global economic slowdown.

## WHAT'S AHEAD? Since June 2009 (looking forward)

Investment markets are continuing to experience ups and downs. Remember your superannuation investment is for the long-term, and the Fund's investment strategy takes a long-term view.

Australian shares increased during the month of July to return +7.3% for the period. The major issues for investment markets going forward include:

- Whether the rapid improvement in sentiment is justified. The highest levels of sentiment in some time must be balanced with the tendency for investors to over-react to both good and bad news.
- The strength of the Australian economy. Australia's ability to avoid a technical recession as a result of a small positive growth rate in March gave confidence to investors but a further downturn is still possible.
- The true strength of China and other emerging markets. The Chinese economy and other emerging markets are expected to grow at a faster rate than the more developed economies and underpin any recovery.
- Rising levels of unemployment. The unemployment rate is expected to rise as the year goes by and will provide a further challenge to governments and their ambitions to stimulate growth and assist the recovery.
- Continued government intervention and interest rate movements. Government stimulus initiatives and interest rate reductions appear to have been effective in lessening the deterioration of economies to date but whether these actions will sustain the recovery or whether another round of initiatives will be needed remains to be seen.

*\* All market returns shown above are before tax and investment costs.*



## NEARING RETIREMENT? WE'VE GOT JUST WHAT YOU NEED!

Upon retirement, many people choose to purchase an account based pension with their super money. Account based pensions make it easy to manage your money and can often provide great tax advantages. Take a look at what's on offer with the CISF account based and Transition to Retirement Pensions.

- You can remain a member of the Fund, which means continued competitive performance and local and friendly service;
- Low fees;
- Your money will remain in the low taxed environment of super;
- All investment earnings are tax free;
- You can choose how much you want to withdraw each year between minimum and maximum limits;
- You can withdraw additional amounts of at least \$5,000 whenever you want;
- No commission paid to financial advisers;
- Any remaining money upon your death is paid to your dependents.

If your interested in finding out more about our Account Based Pension or Transition to Retirement Pension, visit our website at [www.cisf.com.au](http://www.cisf.com.au) or call us on 08 9388 1840.

### LOST OR OTHER SUPER ACCOUNTS

Do you have super accounts all over the place? If you have any private super accounts or super from a previous employer, it may be in your interests to combine all your accounts in the CISF. This could save you administration fees and help you keep track of your super.

If you would like any help in tracking down any lost super accounts or looking at the option of rolling other super into the CISF please contact the Fund.

### LEGISLATIVE REMINDER

Remember in May 2009 the Federal Government reduced the concessional contribution caps for employer and salary sacrifice contribution made to superannuation from \$50,000pa to \$25,000pa if you are aged under 50 and from \$100,000 to \$50,000 if you are over the age of 50. Any amounts over these caps will be taxed at 36.5% plus the 15% contributions tax.

If you are unsure whether you will exceed these caps please contact your payroll officer or call the Fund.

### KEEPING US UPDATED

Remember if any of your personal details change, especially your mailing address, please let us know. This way we can ensure you are kept updated on Fund information and your benefit entitlements don't become lost. It's easy just give us call and most changes we can take over the phone.

### SUPER QUERIES

If you wish to ask any questions about your superannuation or obtain a projection of benefits you may make an appointment to see Gary Peirce in Collie.

You may phone, fax or email him at the following to make an appointment or alternatively contact the Miners Union Office:

### Coal Industry Superannuation Fund

Phone: 08 9388 1840    Fax: 08 9388 3545    Email: [cisb@bigpond.com](mailto:cisb@bigpond.com)    Web: [www.cisf.com.au](http://www.cisf.com.au)

ABN 75 305 378 553 - CISF    AFS Licence 255844    ABN 36 645 349 721 - CISB

General Advice Warning: Please note that the information contained in this Newsletter is general information only, and does not take into account your particular objectives, financial situation or needs. You should seek professional financial advice before acting on this information.

Past investment performance is no guarantee of future investment performance. Investment markets can be volatile.