



### PRE RETIREMENT SEMINARS

A series of Pre Retirement Seminars will be held in the next few months in Collie. A financial Planner, Centrelink representative and member of the WA Council on Ageing will be presenting at the seminars. Times and dates will be notified to members in the near future.

### HOW TO READ YOUR BENEFIT STATEMENT

Seminars are planned to be held in Collie after the Annual Benefit Statements are mailed this year. The seminars will aim to explain the statement in clear simple terms making it easier for those members who have had difficulties understanding them in the past. Notices will be sent out at the time advising of times and venue.



### INVESTMENT UPDATE TO 31 JANUARY 2010

The Australian share market fell during the month of January 2010 (returning -6.2%) following strong returns over the previous six months. Concerns about the level of government debt worldwide, particularly in Greece, brought an end to the share market rally. The return from Australian shares for the seven months to 31 January 2010 remains strong at 18.0%.

International share markets showed a similar performance pattern to Australia with the falls in January (returning -2.9% including currency movements) partially offsetting the strong performance in the preceding six months. International shares (including currency movements) increased by 6.2% for the financial year to date.

Listed property trusts also fell in January (-3.0%), but have experienced strong growth for the financial year to date (+20.6%).

The Australian fixed interest sector produced a solid return of 4.2% for the financial year to date, with bond yields remaining relatively steady. Markets are pricing in the expectation of further interest rate rises from the Reserve Bank of Australia (RBA) during 2010.

The RBA raised interest rates by 0.75% to 3.75% during the December 2009 quarter. A further 0.25% increase was made in March 2010, with the RBA expressing their belief that the risk of serious economic slowing in Australia has passed.

While global economy conditions have been improving, the falls in share markets during January shows that market sentiment remains vulnerable to bad news.

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## HOW DOES THE FUND COMPARE?

The Fund continues to deliver competitive investment returns for accumulation and pension members, performing better than the market average of growth managers for the financial year to 31 January 2010.

	<b>Fund</b>	<b>PensionCash</b>	<b>Pension Growth</b>	<b>Average Manager <sup>(2)</sup></b>
7 months <sup>(1)</sup>	11.7%	1.9%	12.3%	11.5%

Notes:

- 1 Returns are after tax and investment fees.
- 2 Average manager refers the median manager return from the Intech Growth Funds survey

## HOW IS THE FUND POSITIONED

The global financial crisis through 2008 and 2009 has been an extremely difficult period for superannuation funds and the Coal Industry Superannuation Fund is no exception. The Board has closely monitored the Fund's financial position throughout this period, and the Fund has endured the period relatively well. The Fund held higher than normal cash levels during the crisis, has out-performed the average growth fund over the past three years to 31 December 2009, and remains in a sound financial position.

## ACTUARIAL REVIEW

A triennial Actuarial Review of the Fund for the three years to 30 June 2009 has just been completed.

The results of the review are pleasing as even with the Global Financial Crisis the Fund was able to remain in a solvent position. The Fund was one of the very few defined benefit funds in Australia able to achieve this.

The Asset Backing index is the measurement used to gauge if the Fund has sufficient assets to pay benefits and remain solvent. The bottom line is 100% and the desired level is 110%. The Funds position at 30 June 2009 was 105% however at 31 January 2010 is now back to 114%.

The Actuary has reported that "the Fund is in a sound financial position and the benefits of all members remain secured by the current level of assets."

In addition the Actuary has stated that "Our projections for the next 10 years indicate the Fund is likely to remain in a satisfactory financial position, with the current level of assets, together with future contributions and investment earnings, being adequate to cover members' accruing benefits for at least the next three years."

The Actuary has also recommended that the employer contribution rate be maintained at 8.5% of the Benchmark Amount which the Board has accepted.

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## GRIFFIN COAL

As members are aware Griffin Coal is now in the hands of an administrator Korda Mentha.

The Fund has since January 2010 been receiving contributions for members. The outstanding contributions for the month of December have been recorded with the administrators as the CISF is listed as a creditor for these funds.

Members should note their superannuation benefits held in the CISF are in no way linked to any of Griffin Coal assets are completely separate and secure.

## 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 with 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.

General Advice Only. This information is general advice and has not taken into account any individual's particular objectives, financial situation or needs. Because of this, you should seek appropriate financial advice before acting on this information.

## 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 a 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)

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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.