

COAL INDUSTRY SUPERANNUATION FUND

MEMBER INFORMATION GUIDE

PRODUCT DISCLOSURE STATEMENT PART B

Issued by: Coal Industry Superannuation Board
ABN 36 645 349 721
AFS Licence 255844
RSE Licence L0001212
RSE Registration R1004281

Coal Industry Superannuation Fund
ABN 75 305 378 553

Prepared: 26 February 2009

What's this guide about?

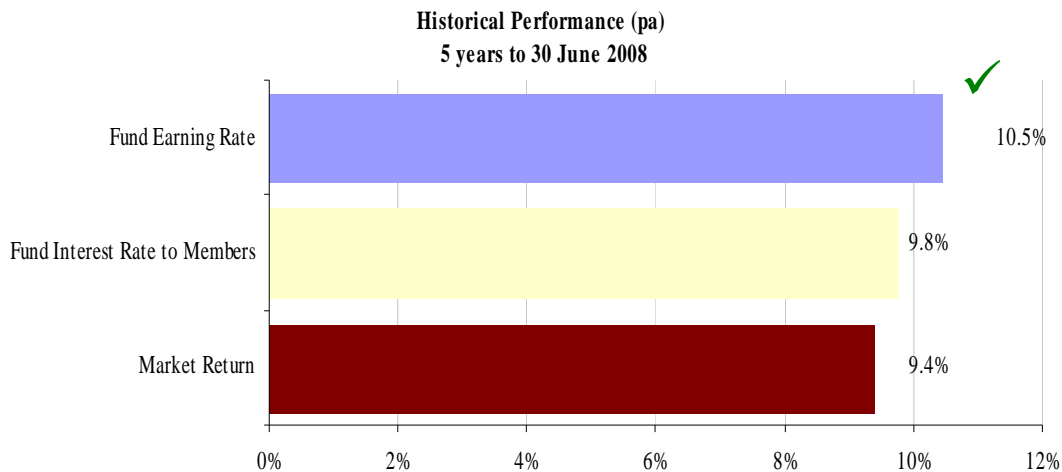
This is Part B of the Member Information Guide (also known as the Product Disclosure Statement) and contains specific information about the Fund that may change from time-to-time.

This document should be read in conjunction with Part A of the Member Information Guide (also known as the Product Disclosure Statement). The Coal Industry Superannuation Board has made every effort to ensure you have the most up to date copy of both Part A and B of the documents but if you think your copy is out-of-date, please contact the Administration Manager.

Historical Performance

The Coal Industry Superannuation Fund uses an averaging process to smooth the year-to-year investment returns to members when setting the interest rate to apply to members' accumulation accounts each year. Generally, the smoothing or averaging process works by setting aside a portion of the Fund's earnings to an investment reserve when returns are higher, by paying a reduced investment return to members' accounts. In years of lower investment returns, the reserves can be used to increase the investment return credited to members' accounts. For more information, refer to Part A of the Member Information Guide.

The Fund has fared well compared to the performance of similarly managed funds over the five year period to 30 June 2008. The graph below shows the Fund's performance (after investment fees and tax have been deducted) over this period as well as the performance of the comparative return.



Notes:

1. The "Market Return" is the average return from professionally managed superannuation funds (as measured by the average (median) return from the comparable Intech Survey of investment manager returns).

The investment returns earned by the Fund over the last five years to 30 June 2008, together with interest rates paid to members' accumulation accounts, is shown below. Returns are shown after investment fees and tax have been deducted.

Year ending 30 June	Fund Earning Rate	Interest Rate to Active Members
2008	-8.4%	-5.0%
2007	17.4%	17.0%
2006	16.4%	15.0%
2005	14.6%	11.7%
2004	14.6%	11.6%
5 Year Return (pa)	10.5%	9.8%

Members receiving a pension from the Fund have the option of investing in either growth assets or cash. The returns for both investment types from the commencement of the first pension in 2005 are shown in the table and graph below.

Year ending 30 June	Growth Assets Earning Rate	Growth Interest Rate to Pensioners	Fund Cash Earning Rate	Cash Interest Rate to Pensioners
2008	-9.0%	-5.4%	7.0%	7.0%
2007	18.9%	18.3%	6.2%	6.2%
2006	17.4%	17.4%	5.6%	5.6%
2005	15.3%	15.3%	5.5%	5.5%
4 Year Return (pa)	10.0%	10.9%	5.8%	5.8%

Fees and other costs

Consumer Advisory Warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a superannuation calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole.

Taxes and insurance costs are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment. All fees advised in this document are inclusive of GST (less any reduced inputs tax credits) and stamp duty where applicable.

**Coal Industry Superannuation Fund
Member Information Guide – Part B
AFS Licence Number 255844
RSE Licence L0001212
RSE Registration R1004281**

Type of fee or cost	Amount	How & when paid
Fees when you money moves in or out of the fund.		
Establishment fee: The fee to open your investment	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable
Withdrawal fee: The fee taken on each amount you take out of your investment	Nil	Not applicable
Termination fee: The fee to close your investment	Nil	Not applicable
Type of fee or cost	Amount	How & when paid
Management Costs		
Administration costs/Member Fee: This is a member account-keeping fee charged by the fund.	(a) Members with a defined benefit: Nil (b) Accumulation, spouse, pension members and retained members with no defined benefit: \$1 per week (\$52 per year)	Deducted from your accumulation or pension account on a weekly basis.
Investment costs: The fees and costs for managing your investment, including fees paid to external investment managers.	Average of 0.61% per annum, eg \$6.10 per \$1,000 invested per year. A small portion of the investment manager fees are linked to performance, so any out-performance may lead to a slightly higher investment fee from time-to-time ¹ .	Deducted or paid from investment earnings before returns are credited to your account. All returns declared by the Fund are net of these expenses.
Additional Service Fees		
Investment Switching fee: The fee for changing investment options	Not applicable	Not applicable
Adviser Service Fee	Not applicable	Not applicable

¹Further details are provided in the “Additional Explanation of Fees and Costs” below.

Additional Explanation of Fees and Costs

Details of the tax expenses incurred are provided in the “Tax” section on page 6 of this document.

Details of the insurance expenses are provided in the “Insurance” section on page 6 of this document.

As mentioned above, in addition to the average investment management fee advised in the fees and costs table, a selection of the fund’s investment managers charge a performance fee.

Currently approximately 3.0% of the Fund’s assets are invested in the Linq Resources Fund which charges performance fees. Linq Resources’ performance fee is charged as the lesser of:

- 22% of the increase in the value of the Linq Resources Fund
- 22% of the amount by which the increase in the value of the Linq Resources Fund exceeds the return of the S&P/ASX Small Resources Accumulation Index, measured annually.

Additionally, approximately 12% of the Fund’s assets are invested in Challenger’s Australia Share Fund. This Fund charges an out-performance fee of 15% of any return over the Australian Shares benchmark on an annual basis.

Therefore, members should expect additional performance fees to be charged from time to time where returns from the advised investment managers are above their respective benchmarks.

The Trustee monitors the Fund’s investments in various professional investment managers and from time to time may change investment managers. Where this occurs, there may be a difference between the application price when investing in a new investment manager and the withdrawal price. This difference is known as the buy-sell spread and relates to the costs incurred when buying or selling the underlying assets where investments or withdrawals are made. The cost can range between 0.2% and 0.6% of the affected assets. The costs are paid at the time that the Fund invests funds with an investment manager and are deducted from investment earnings prior to returns being credited to your account. Therefore, the cost is an additional cost to the member. The buy/sell spread is paid to the investment manager.

Brokerage refers to fees incurred when trading shares. This fee is incorporated in the buy/sell spread and management cost fees outlined above.

Please be aware that the amount of fees may be adjusted by the Trustee from time-to-time without the member’s consent. Where advised above, fees will be indexed on an annual basis. No advance notice is required for fee changes. Should your employment position change such that you are no longer eligible for a defined benefit from the Fund, an additional member fee will apply as outlined in the fees and costs table above.

Please be aware that these fees are not negotiable.

In line with government legislation, the Fund protects members with entitlements less than \$1,000 (that is, administration fees will generally not exceed the interest credited to your account in any one year for members with total superannuation entitlements less than \$1,000).

Example of annual fees and costs

This table gives an example of how the fees and costs for this product can affect your investment over a one year period. You should use this table to compare this product with other superannuation products.

Suppose your account balances total \$50,000 with total contributions of \$5,000 during the year.

Accumulation, spouse or pension member:

Type of fee	Rate	BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING YEAR.
Investment costs	0.61% per annum	For every \$50,000 you have in the fund, you will be charged \$305 in investment costs each year.
PLUS Member Fee	\$52 per annum	And , you will be charged \$52 in member fees regardless of your balance
Total		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees from: \$357*

* Additional fees (such as performance fees) may apply

Defined Benefit member:

The value of your defined benefit is not affected by any fees. Any accumulation balances will be subject to investment costs as outlined above.

Tax

Any government taxes payable by the Fund will also be deducted from your contributions or investment returns as appropriate.

Insurance

For Defined Benefit members no separate deductions are made for insurance costs. These are met out of the defined benefit section of the Fund.

For Accumulation only members, death and total and permanent disablement insurance cover is available. This cover is optional and requires medical evidence.

This cover is available in units of \$50,000. Below are the age based premiums that apply per \$50,000 of cover per annum.

Age	Premium	Age	Premium
16	\$45.00	39	\$138.50
17	\$45.00	40	\$156.50
18	\$55.50	41	\$170.50
19	\$67.50	42	\$182.50
20	\$81.00	43	\$197.00
21	\$83.50	44	\$219.50
22	\$83.00	45	\$246.00
23	\$81.50	46	\$272.50
24	\$80.50	47	\$303.00
25	\$78.50	48	\$336.50
26	\$77.50	49	\$377.00
27	\$76.00	50	\$423.50
28	\$75.50	51	\$476.00
29	\$75.00	52	\$534.50
30	\$77.50	53	\$600.00
31	\$79.00	54	\$672.50
32	\$90.50	55	\$761.00
33	\$94.50	56	\$867.00
34	\$98.00	57	\$971.00
35	\$107.00	58	\$1,079.00
36	\$111.50	59	\$1,202.50
37	\$119.50	60	\$1,325.50
38	\$127.00		

Current Benchmark Amount

The **Benchmark Amount** for the 2008/09 financial year is \$48,983.

Further Information

Should you have any questions, please contact the Administration Manager as follows:

Administration Manager
 Coal Industry Superannuation Fund
 242 Rokeby Road
 Subiaco WA 6008

Telephone: 9388 1840
 Facsimile: 9388 3545
 Email: cisb@bigpond.com