

July 2012

member update



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Welcome to the July 2012 Bulletin

It does feel a bit like Groundhog Day with me telling you - again - its been another volatile quarter for investments, as you will see from the full year's returns (over the page), even though we're pleased to have outperformed many other super funds.

We'll provide more commentary and analysis in our Annual Report to Members, which you should expect to receive together with your annual Member Statement in September/October. In the meantime, if we can do more to help you understand current investment markets, or AvSuper's performance and positioning, please let us know.

Even though it's end of financial year, there is lots of other activity going on at AvSuper too - primarily in response to the Federal Government's Stronger Super proposals, especially the introduction of a 'MySuper' product. So much of the legislation and regulations are still draft which makes it difficult to provide meaningful guidance about how the changes may affect you, but we continue to work towards meeting the new requirements and being able to provide you with the information you 'need to know'.

In closing, I want to thank those of you who recently participated in our Member Satisfaction Survey for 2012. We're compiling the results and look forward to sharing these with you in due course.



Michelle Griffiths,
AvSuper CEO

June 2012 Investment Update

It was a quarter with many issues. The ASX200 retreated by -5.4%, the AUD depreciated 2% and domestic inflation pressures eased, allowing the RBA to decrease the cash rate by 0.75% to 3.50%. Nationally, unemployment has remained low over the quarter at 5.1% and the participation rate remains at decade highs. Housing starts and retail sales have continued to slump with consumers willing to save rather than spend. With the commodity based states of WA, QLD and the NT economically bounding ahead and south eastern states of VIC and NSW either flat or decreasing, aggregate economic data indicates Australia has a two speed economy in progress.

Internationally, the US S&P500 retreated by -4.0% and US unemployment continued to remain stubbornly high at 8.2%, a two decade high. Add to this a US Presidential election and knowledge that no new policies will be introduced to fix US debt, tax issues or employment stimulus packages.

In Europe the greatest impacts on investor confidence were political instability and the French, Greek and Italian elections. Greece and Spain asked the European Central Bank (ECB) for additional capital to maintain solvency and prevent any institutional defaults. European inter-bank loan default contagion remains the biggest issue in Europe and behind the negative sentiment. In the Asian region, China still remains Australia's greatest influence to trade figures, employment levels and commodity prices.



Scott Malpass,
Investment
Officer

The long-term asset allocation targets for some of our investment options were adjusted on 1 July 2012 to reflect changing market conditions. Please refer to our website and updated member investment choice guide for details.

Accumulation and Income Stream Returns

Accumulation Returns

(net of fees and taxes) to 30 June 2012

Investment Option	Quarter	Financial year to date	3 years (annualised)
Growth#	-2.4	-1.3	6.3
Conservative Growth	0.0	4.8	N/A*
Stable Growth	-0.5	2.6	6.9
High Growth	-3.8	-1.6	6.9
Australian Shares	-5.7	-7.2	N/A^
International Shares	-3.2	0.7	N/A^
Cash	1.0	4.8	4.5

Income Stream Investment Returns

(net of fees) to 30 June 2012

Investment Option	Quarter	Financial year to date	3 years (annualised)
Growth#	-2.7	-0.1	7.3
Conservative Growth	-0.03	5.6	N/A*
Stable Growth	-0.7	3.7	8.0
High Growth	-4.3	-2.6	7.0
Australian Shares	-5.8	-6.6	N/A^
International Shares	-3.7	9.9	N/A^
Cash	1.1	4.9	4.9

Past performance may not be an indicator of future performance. Taxes generally do not apply for income stream accounts.

Your super will be invested in our Growth Option if you don't make an investment choice.

* Conservative Growth option introduced 1 January 2010 ^ The two Shares options were introduced on 1 May 2010.

The investment returns for the quarter and the financial year to date detailed above are real investment returns for the period shown, not annualised or 'per annum' returns which may differ from the numbers above.

AvSuper News

Concessional contributions refunded – members with excess concessional contributions can be refunded up to \$10,000 (conditions apply) for the 2011-12 year onwards. The concessional contributions cap remains at \$25,000 until 30 June 2014. Please view our website for full details.

Budget updates – various super changes were announced in the Federal Budget in May, most of which are not yet legislated. A [Budget summary](#) is on our fact sheet page.

Annual reports are being prepared – expect yours in the mail by October and check out our new look statements which will be much easier to read. Remember to let us know if you have new contact details so your statement isn't delayed.

Superannuation guarantee (SG) changes – legislation has been passed so that from 1 July 2013, SG rates will gradually increase to 12% and SG will no longer stop at age 70. Please refer to our [SG fact sheet](#) for details.

Refer to our website for details on these topics.



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(l to r) Kayla Bambling, Silas Dingiria, Leyman Leyes

Our Member Advice Team is ready to answer your general account queries or give personalised advice to help you make decisions about your AvSuper investment.

Talk to a real person (not an anonymous call centre) who understands your super fund and financial planning issues.

AvSuper is interested in your opinion so please let us know if you have any feedback about the bulletin or want to read about a specific issue in a future bulletin.



Contact us

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