

# 2009 Annual Report

*It's all about you*



## THE YEAR IN REVIEW


Investment market performance and what this means for super

## NEW ONLINE FEATURES

New features to make super more flexible for you

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As you read this Report, keep an eye out for these icons  as they will help you get to know your way around RecruitmentSuper's website.

## About RecruitmentSuper and Professional Associations Superannuation Fund

This Report was prepared and issued by Professional Associations Superannuation Limited (PASL) (ABN 14 056 917 303, AFSL 222590), as Trustee of Professional Associations Superannuation Fund (PASF) (ABN 78 984 178 687). RecruitmentSuper is a division of PASF.

This document is of a general nature only and does not take into account your personal or financial objectives, situation or needs. Any examples included herein are for illustration purposes only. They are not intended to be recommendations or preferred courses of action.

Before making a decision about RecruitmentSuper, consider your financial requirements carefully. You should consider obtaining professional financial advice about your particular circumstances before making any financial or investment decision based on the information contained in this document.

You should also note that returns are not guaranteed. All investments carry risk. Furthermore, you should also be aware that past investment performance gives no indication of future returns.

## Investment performance

The following table shows how your super has performed during the past year. For more information on these options, see [pages 6 to 9](#).

Investment option	1 July 2008 to 30 June 2009 %
<b>For SelectSuper and SelectPlus</b>	
Aggressive*	3.3
Growth (default)	-14.3
Moderate*	4.4
Stable	-2.2
Australian Shares*	16.0
Overseas Shares*	7.7
Property*	-4.7
Bonds*	2.4
Cash	1.8
<b>Closed investment options</b>	
Aggressive Growth**	-20.6
High Growth**	-23.3
<b>For EasyChoice, EasySuper and PreservedSuper</b>	
Over \$3,000	-13.9
\$3,000 or less	-13.9

Performance data in this table are net of fees and taxes. Past performance is not an indication or guarantee of future performance.

\* Investment option commenced on 12 January 2009. Returns shown reflect the period from 12 January 2009 to 30 June 2009.

\*\* Investment option closed on 11 January 2009. Returns shown reflect the period 1 July 2008 to 11 January 2009.

# Welcome from the Chairman

I am pleased to bring you the *2009 Annual Report for RecruitmentSuper*. This Report provides a summary of the year's key highlights, including the performance of our investment options.



As reported by the media, investment markets have been turbulent over the past 12 months as a result of the global financial crisis. RecruitmentSuper has felt the effects of this instability but we're not alone – most Australian super funds have also been impacted. There are mixed views on the short-term direction of markets. However, the widespread view of market commentators is one of optimism.

We understand that you may be concerned about returns this year, but it's important to keep in mind that the highs and lows in investment markets are a normal part of investing. Your Trustee, in conjunction with our investment consultant, continues to closely monitor our investments and is satisfied that the Trustee's investment strategies and the investment options offered remain appropriate to achieve our long-term investment objectives. You can find information on our long-term investment objectives on [pages 8 and 9](#).

As a Fund, we are always looking for ways to improve the benefits and services we offer you. Late last year we wrote to you to explain the exciting changes RecruitmentSuper was implementing from 12 January 2009. This included changing our investment platform to introduce increased flexibility and streamline investment costs. It has also allowed us to better take advantage of opportunities in investment markets.

We have also conducted a comprehensive review of our insurance arrangements to provide you with great value cover. Your Trustee is confident this insurance cover will offer peace of mind that you are financially protected against the uncertainties of life. You can find out more about these changes on [page 5](#).

Super is one of the most important financial assets you will have in your life. As such, one of our key objectives this year is to help you more easily stay in touch with us. To help do this, we encourage you to update your details on [Member Online Services](#), and in particular, register your email address with us.

Simply by providing us with your email address, we can help you to:

- Keep track of your super nest egg.
- Be directly alerted to any changes to super that the Government may announce.
- Keep up to date with new benefits and features introduced to RecruitmentSuper.
- Easily access help for any queries you have on your super or financial advice should you need it.

- Learn about your insurance cover and review who you have nominated as beneficiaries of your super.
- Access our partner benefits such as home loans, health insurance and ways to manage your retirement.

Taking advantage of these services has never been easier.

RecruitmentSuper is designed to help you save for your future from the time you start work until you retire. It's important to make the right decisions for your super now – and we are here to help you to do just that.

As Trustee, we will continue to review and improve the products and services on offer as we remain committed to your long-term financial future and to running a cost-effective super fund. While there have been many challenges during the past year and we understand your super may not always be at the top of your mind, rest assured that your Trustee is constantly working to ensure your retirement benefit is secure.

We look forward to the year ahead and continuing to create benefits for your future.

**Ross Fisher, Chairman**

# The year in review

## Prepared by Watson Wyatt

The Australian economy finished the 2009 financial year on a more positive note than many other economies. In one of the most challenging global economic environments seen in years, the Australian economy avoided a technical recession (i.e. two consecutive quarters of negative growth) by recording positive growth in the March quarter. This followed a decline in economic activity in the December 2008 quarter – the first decline in eight years. The growth came amidst strong Government stimulus, and interest rate cuts of 4.25% for the year by the Reserve Bank of Australia. Conditions started to stabilise in the June quarter; however, the June unemployment rate of 5.7% continues to be a concern.

Investor confidence toward the Australian share market was poor for the majority of the year, as the global financial crisis placed many companies under strain and forced them to issue profit downgrades. Although sentiment improved around March 2009, earlier losses were not completely reversed and the Australian share market recorded one of its worst performances in many years, dropping 20.3% for the 2008/09 financial year (as measured by the S&P/ASX 300 Accumulation Index).

The Australian direct property market experienced limited trading activity and rising vacancy rates in 2009. The retail sector fared better than the office and

industrial sectors in the latter quarter of the year, assisted by the Government's stimulus packages. The Mercer Unlisted Property Index returned -12.4% for the financial year. The global listed property sector suffered more significant losses, with the UBS Global Investors Index (hedged to Australian dollars) finishing the year 42.5% lower.

The state of the international economy declined across many countries for the majority of the year. The US, Japan and many European countries all entered recessions, some of which have developed into the worst in decades. The December 2008 quarter saw Chinese economic growth weaken to its slowest pace in five years. In response, global stimulus packages, strong monetary policy (including interest rate cuts) and money creation were implemented in an attempt to ease pressures on the international economy. Signs these measures have had an impact started to emerge in the June quarter.

The performance of global share markets was generally weak and marked by extreme volatility. The latter months of the financial year saw a return of some investor confidence based on stronger than expected economic data and signs of stability. Concerns late in the financial year over the sustainability of the recovery reversed some of the gains and demonstrated the fragility of market sentiment.

The effect of a weakening Australian dollar against most global currencies helped to offset some of these losses, resulting in stronger returns on unhedged international investments than on hedged investments for Australian investors. The MSCI World ex-Australia Index in Australian dollars (unhedged) returned -16.2% for the year, while the return on hedged international shares was -28.4%.

The Australian fixed interest market delivered robust performance in 2008/09 relative to shares, with the UBSA Composite Bond Index (All Maturities) returning 10.8% for the year.

International fixed interest and global inflation-linked markets both underperformed the Australian fixed interest market. International fixed interest, measured by the Barclays Capital Global Aggregate Bond Index (hedged to Australian dollars), returned 9.9% for the year. Global inflation linked bonds, measured by the Barclays Capital Global Inflation-Linked Index (hedged to Australian dollars), returned 1.2%.

Note: This investment commentary is provided by Watson Wyatt Australia Pty Ltd in its capacity as Investment Consultant to the Trustee of Professional Associations Superannuation Fund. It should not be relied on without the consent of Watson Wyatt Australia Pty Ltd. This commentary is provided as general information only and does not constitute advice. All investment figures quoted relate to before-tax performance of the relevant industry benchmark.

# Message from the CEO



At RecruitmentSuper, we're proud that we can offer employees membership of a Fund that has a flexible range of superannuation features and benefits. This is made possible by the fact that RecruitmentSuper is a division of a much larger industry fund – Professional Associations Superannuation Fund (PASF) – which allows us to enjoy economies of scale and provide benefits to you in a more cost-effective way.

RecruitmentSuper continues to thrive. Membership is currently 370,081. This growth has given us the opportunity to implement more changes – enhancing our superannuation offering and providing you with more valuable benefits.

As mentioned by our Chairman, over the past year, we have made changes to our investment options and insurance cover to provide you with more choice and better value for money. We have also managed to keep costs down by implementing changes which create greater consistency across the four divisions of Professional Associations Superannuation Fund. More information on these changes is outlined to the right.

Over the next year, we will continue to focus on how we can make it easier for you to manage your super and have already begun exploring new ways to communicate with you electronically. Not only does this allow us to quickly send you important super information but it ensures we put less pressure on the environment. Additionally, reducing the cost of printed materials allows us to pass these savings on to you. This *Annual Report* marks the launch of our online initiative. The online copy of this *Annual Report* includes interactive features, such as links to extra information on the RecruitmentSuper website.

If you have any queries about your super, we encourage you to visit the website at [www.recruitmentsuper.com.au](http://www.recruitmentsuper.com.au) where you will find a range of publications to help you better understand RecruitmentSuper and the benefits it offers. You can also contact our Customer Service Centre on **1300 304 000**. Our team is dedicated to helping you plan for your future.

**Megan Bolton, CEO**

## Changes to RecruitmentSuper

On 12 January 2009, RecruitmentSuper introduced two significant changes to provide you with more choice and flexibility for your super investment and insurance arrangements.

### New investment offering

RecruitmentSuper introduced a new range of nine investment options which enhanced RecruitmentSuper's previous investment offering. These options offer increased flexibility in how to invest your super. They are designed to give you a range of choices depending on how much risk you want to take and the return you want to achieve.

If you were a RecruitmentSuper member prior to 12 January 2009, your previous investment option(s) was automatically transferred to an equivalent option under the new investment platform on 12 January.

Details of RecruitmentSuper's current investment options are on pages 8 and 9.

### New insurance arrangements

After a review of RecruitmentSuper's insurance arrangements, Commlnsure, has been reappointed to provide you with death and disablement cover. Income protection insurance continues through Lumley General Insurance. Commlnsure is a leading provider of insurance in Australia. This review was undertaken to enhance your insurance arrangements and provide more comprehensive benefits.

### More information on these changes

You were sent information about these changes in late 2008.

These new arrangements are reflected in RecruitmentSuper's Product Disclosure Statement, *Your Guide to RecruitmentSuper*, which is available to download from [www.recruitmentsuper.com.au](http://www.recruitmentsuper.com.au) or a copy can be requested by calling **1300 304 000**.

# RecruitmentSuper's investments

## Your investment choice

If you are a SelectSuper or SelectPlus member, you choose how your super is invested from a range of nine investment options – **four pre-mixed** options and **five asset class** options.

Pre-mixed options	Asset class options
<ul style="list-style-type: none"><li>● Aggressive</li><li>● Growth</li><li>● Moderate</li><li>● Stable</li></ul>	<ul style="list-style-type: none"><li>● Australian Shares</li><li>● Overseas Shares</li><li>● Property</li><li>● Bonds</li><li>● Cash</li></ul>

If you have not chosen an investment option, your super is invested in the Growth option, which is the default option.

You can choose to invest your super in any one option or a combination of options, as long as the total equals 100%. You can also choose to invest your current account balance and future contributions in different ways.

If you are an EasyChoice, EasySuper or PreservedSuper member, your super is invested in the Growth option.

## Calculating unit prices and crediting rates

Investment earnings for SelectSuper and SelectPlus members are passed on through changes in the unit price of investment options. Your unit holdings will increase through contributions and

rollovers into your account and will decrease as units are sold to cover costs such as administration expenses and insurance premiums.

Unit prices are calculated weekly after allowing for tax and investment management costs. Adjustments may be made to unit prices from time to time to take into account RecruitmentSuper's assets and any tax adjustments necessary.

For EasyChoice, EasySuper and PreservedSuper members, the investment earnings of RecruitmentSuper's Growth option are applied by a crediting rate. The crediting rate is determined by the Trustee, after taking into account the option's performance, less any fees and taxation allowances, and applied to member accounts each year at 30 June. Interim crediting rates are used for calculations and benefit payments during the year.

## Processing of transactions

The following information details which unit price is applied to your contributions or benefits.

## Contributions/transfers

The unit price effective on the date that monies are **received** in RecruitmentSuper's bank account.

## Investment switches

The unit price effective on the date that a switch request is **received** by RecruitmentSuper, or submitted online.

## Benefit payments (both full and partial)

The unit price effective on the date that a benefit payment request is **processed**.

## Derivatives

Some of RecruitmentSuper's investment managers invest directly in derivative investments such as futures, options and swaps. This form of investing is undertaken as part of a strategy to manage investment risk. Legislation requires investment managers to adopt a Derivative Risk Statement which stipulates which controls are in place to protect against improper use of investing in derivatives.

The Trustee of RecruitmentSuper has reviewed the Derivative Risk Statements of each investment manager and is satisfied the scope of the documents are in keeping with the Trustee's Investment Policy.

From time to time, the Trustee may invest directly in derivatives for risk management purposes. Where this occurs, the Trustee will have in place appropriate controls documented in a Derivative Risk Statement.

## How your super performed

In the past 12 months, we reviewed how we manage RecruitmentSuper's investments. As a result, on 12 January 2009, we implemented changes to the way we manage your super and, for SelectSuper and SelectPlus members, we changed the number and type of investment options. We are confident that these changes will provide a solid platform to manage your super in the years ahead.

### EasyChoice, EasySuper and PreservedSuper

The following table shows the declared crediting rate for the year ended 30 June 2009, for each of the preceding four years and the five-year compound average.

	2009	2008	2007	2006	2005	5-year compound average
Over \$3,000	-13.9%	-5.2%	15.1%	14.5%	10.2%	3.5% p.a.
Less than \$3,000	-13.9%	-5.2%	15.1%	14.5%	8.2%	3.1% p.a.

### SelectSuper and SelectPlus

The table below shows the earning rate of each investment option for the year ended 30 June 2009 (including new options and those that were closed during the year), for each of the four preceding years and the five-year compound average.

Investment option	2009	2008	2007	2006	2005	5-year compound average
Aggressive*	3.3%	N/A	N/A	N/A	N/A	N/A
Growth (default)	-14.3%	-5.3%	14.2%	15.0%	10.2%	3.3% p.a.
Moderate*	4.4%	N/A	N/A	N/A	N/A	N/A
Stable	-2.2%	1.5%	8.1%	7.2%	8.2%	4.5% p.a.
Australian Shares*	16.0%	N/A	N/A	N/A	N/A	N/A
Overseas Shares*	7.7%	N/A	N/A	N/A	N/A	N/A
Property*	-4.7%	N/A	N/A	N/A	N/A	N/A
Bonds*	2.4%	N/A	N/A	N/A	N/A	N/A
Cash	1.8%	4.0%	5.6%	5.1%	4.8%	4.2% p.a.
High Growth**	-20.6%	-7.0%	15.6%	16.0%	10.7%	2.0% p.a.
Aggressive Growth**	-23.3%	-9.0%	17.7%	18.0%	11.4%	1.7% p.a.

Performance data in this table is net of fees and taxes.

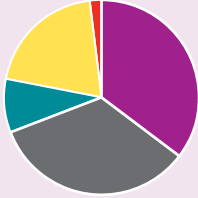



\* Investment option commenced on 12 January 2009. Returns shown reflect the period from 12 January 2009 to 30 June 2009.

\*\* Investment option closed on 11 January 2009. Returns shown reflect the period from 1 July 2008 to 11 January 2009.

# Your investment options

## How your super is invested

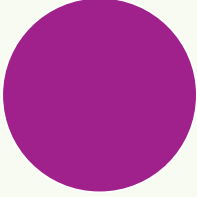
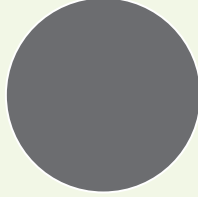
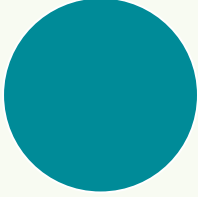
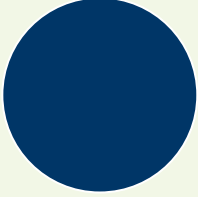
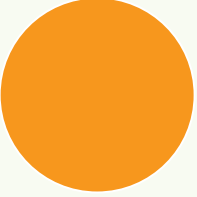
The table below shows the investment options available to RecruitmentSuper members from 12 January 2009. If you are an EasySuper, EasyChoice or PreservedSuper member, your account is invested in the Growth option. There is no investment choice in these categories.

Pre-mixed options																																																				
Investment option	Aggressive	Growth	Moderate	Stable																																																
		This is the default option if you do not want to make an investment choice																																																		
Investment objectives	<ul style="list-style-type: none"> <li>This option aims to achieve a return (net of fees and taxes) of at least 4.5% a year above CPI<sup>1</sup> over rolling eight-year periods.</li> <li>This option may expect a negative return approximately once every four years.</li> </ul>	<ul style="list-style-type: none"> <li>This option aims to achieve a return (net of fees and taxes) of at least 3.0% a year above CPI<sup>1</sup> over rolling five-year periods.</li> <li>This option may expect a negative return approximately once every six years.</li> </ul>	<ul style="list-style-type: none"> <li>This option aims to achieve a return (net of fees and taxes) of at least 2.5% a year above CPI<sup>1</sup> over rolling four-year periods.</li> <li>This option may expect a negative return approximately once every eight years.</li> </ul>	<ul style="list-style-type: none"> <li>This option aims to achieve a return (net of fees and taxes) of at least 2.0% a year above CPI<sup>1</sup> over rolling three-year periods.</li> <li>This option may expect a negative return approximately once every 12 years.</li> </ul>																																																
Investment strategy	Invests mainly in shares, with the remainder in property, liquid alternatives and private capital.	Invests mainly in shares, with the remainder in property, liquid alternatives, private capital and bonds.	Invests approximately half in shares and property, and half in bonds and cash investments, with a small proportion in liquid alternatives.	Invests mainly in bonds and cash investments, with the remainder in shares, property and liquid alternatives.																																																
Actual asset allocation at 30 June 2009	 <table border="1"> <tr><td>Australian shares</td><td>35.5%</td></tr> <tr><td>Overseas shares</td><td>33.7%</td></tr> <tr><td>Property</td><td>9.0%</td></tr> <tr><td>Liquid alternatives</td><td>19.9%</td></tr> <tr><td>Private capital</td><td>1.9%</td></tr> </table>	Australian shares	35.5%	Overseas shares	33.7%	Property	9.0%	Liquid alternatives	19.9%	Private capital	1.9%	 <table border="1"> <tr><td>Australian shares</td><td>25.9%</td></tr> <tr><td>Overseas shares</td><td>29.2%</td></tr> <tr><td>Property</td><td>9.4%</td></tr> <tr><td>Liquid alternatives</td><td>14.1%</td></tr> <tr><td>Private capital</td><td>1.9%</td></tr> <tr><td>Bonds</td><td>19.5%</td></tr> </table>	Australian shares	25.9%	Overseas shares	29.2%	Property	9.4%	Liquid alternatives	14.1%	Private capital	1.9%	Bonds	19.5%	 <table border="1"> <tr><td>Australian shares</td><td>18.1%</td></tr> <tr><td>Overseas shares</td><td>21.5%</td></tr> <tr><td>Property</td><td>9.1%</td></tr> <tr><td>Liquid alternatives</td><td>9.9%</td></tr> <tr><td>Bonds</td><td>29.4%</td></tr> <tr><td>Cash</td><td>12.0%</td></tr> </table>	Australian shares	18.1%	Overseas shares	21.5%	Property	9.1%	Liquid alternatives	9.9%	Bonds	29.4%	Cash	12.0%	 <table border="1"> <tr><td>Australian shares</td><td>10.5%</td></tr> <tr><td>Overseas shares</td><td>10.3%</td></tr> <tr><td>Property</td><td>9.1%</td></tr> <tr><td>Liquid alternatives</td><td>5.0%</td></tr> <tr><td>Bonds</td><td>40.3%</td></tr> <tr><td>Cash</td><td>24.8%</td></tr> </table>	Australian shares	10.5%	Overseas shares	10.3%	Property	9.1%	Liquid alternatives	5.0%	Bonds	40.3%	Cash	24.8%		
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Asset allocation ranges <sup>2</sup>	<table border="1"> <tr><td>Shares</td><td>50% to 80%</td></tr> <tr><td>Property</td><td>5% to 15%</td></tr> <tr><td>Liquid alternatives</td><td>15% to 30%</td></tr> <tr><td>Private capital</td><td>0% to 15%</td></tr> <tr><td>Bonds</td><td>0% to 5%</td></tr> <tr><td>Cash</td><td>0% to 10%</td></tr> </table>	Shares	50% to 80%	Property	5% to 15%	Liquid alternatives	15% to 30%	Private capital	0% to 15%	Bonds	0% to 5%	Cash	0% to 10%	<table border="1"> <tr><td>Shares</td><td>40% to 60%</td></tr> <tr><td>Property</td><td>5% to 15%</td></tr> <tr><td>Liquid alternatives</td><td>10% to 25%</td></tr> <tr><td>Private capital</td><td>0% to 10%</td></tr> <tr><td>Bonds</td><td>15% to 25%</td></tr> <tr><td>Cash</td><td>0% to 10%</td></tr> </table>	Shares	40% to 60%	Property	5% to 15%	Liquid alternatives	10% to 25%	Private capital	0% to 10%	Bonds	15% to 25%	Cash	0% to 10%	<table border="1"> <tr><td>Shares</td><td>25% to 45%</td></tr> <tr><td>Property</td><td>5% to 15%</td></tr> <tr><td>Liquid alternatives</td><td>5% to 20%</td></tr> <tr><td>Private capital</td><td>0% to 7.5%</td></tr> <tr><td>Bonds</td><td>25% to 35%</td></tr> <tr><td>Cash</td><td>5% to 15%</td></tr> </table>	Shares	25% to 45%	Property	5% to 15%	Liquid alternatives	5% to 20%	Private capital	0% to 7.5%	Bonds	25% to 35%	Cash	5% to 15%	<table border="1"> <tr><td>Shares</td><td>10% to 30%</td></tr> <tr><td>Property</td><td>5% to 15%</td></tr> <tr><td>Liquid alternatives</td><td>0% to 15%</td></tr> <tr><td>Private capital</td><td>0% to 5%</td></tr> <tr><td>Bonds</td><td>35% to 45%</td></tr> <tr><td>Cash</td><td>20% to 30%</td></tr> </table>	Shares	10% to 30%	Property	5% to 15%	Liquid alternatives	0% to 15%	Private capital	0% to 5%	Bonds	35% to 45%	Cash	20% to 30%
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<sup>1</sup> 'CPI' stands for Consumer Price Index, which is a measure of the rate of price inflation that compares the changes in prices in a standard basket of goods and services consumed by Australian households.

<sup>2</sup> These ranges show the maximum and minimum limits which the Trustee may invest in an asset class for each investment option. The Trustee regularly reviews the asset allocations and may alter them within the ranges over time. The Trustee may also review and alter the ranges from time to time.

### Asset class options

Australian Shares	Overseas Shares	Property	Bonds	Cash
<ul style="list-style-type: none"> <li>This option aims to achieve a return (net of fees and taxes) of at least 4.5% a year above CPI<sup>1</sup> over rolling eight-year periods.</li> <li>This option may expect a negative return approximately once every four years.</li> </ul>	<ul style="list-style-type: none"> <li>This option aims to achieve a return (net of fees and taxes) of at least 4.5% a year above CPI<sup>1</sup> over rolling eight-year periods.</li> <li>This option may expect a negative return approximately once every four years.</li> </ul>	<ul style="list-style-type: none"> <li>This option aims to achieve a return (net of fees and taxes) of at least 2.5% a year above CPI<sup>1</sup> over rolling four-year periods.</li> <li>This option may expect a negative return approximately once every five years.</li> </ul>	<ul style="list-style-type: none"> <li>This option aims to achieve a return (net of fees and taxes) of at least 1.5% a year above CPI<sup>1</sup> over rolling two-year periods.</li> <li>This option may expect a negative return approximately once every ten years.</li> </ul>	<ul style="list-style-type: none"> <li>This option aims to achieve a return (net of fees and taxes) of at least 1.0% a year above CPI<sup>1</sup> over rolling two-year periods.</li> <li>This option aims to avoid negative annual returns.</li> </ul>
<p>Invests purely in Australian shares.</p>	<p>Invests purely in overseas shares.</p>	<p>Invests purely in property.</p>	<p>Invests purely in bonds.</p>	<p>Invests purely in cash investments.</p>
 <p>■ Australian shares 100%</p>	 <p>■ Overseas shares 100%</p>	 <p>■ Property 100%</p>	 <p>■ Bonds 100%</p>	 <p>■ Cash 100%</p>

“ The choice of nine investment options provides flexibility in how you can invest your super. ”

## How your super was invested before 12 January 2009

The asset allocation and ranges for RecruitmentSuper's investment options prior to 12 January 2009 are highlighted in the table below. These options are no longer available to members. More information about these options can be found in the *2008 Trustee Report*.

### For EasyChoice, EasySuper and PreservedSuper members

Investment option	Trustee Portfolio
Asset allocation ranges at 1 July 2008	Australian shares 20% to 45%
	Overseas shares 15% to 35%
	Growth alternatives 0% to 15%
	Defensive alternatives 0% to 15%
	Property 5% to 20%
	Diversified fixed interest 5% to 40%
	Cash 0% to 20%

### For SelectSuper and SelectPlus members

Investment option	Aggressive Growth	High Growth	Balanced Growth	Conservative Growth
Asset allocation ranges at 1 July 2008	Australian shares 35% to 60%	Australian shares 30% to 55%	Australian shares 20% to 45%	Australian shares 5% to 25%
	Overseas shares 25% to 45%	Overseas shares 15% to 35%	Overseas shares 15% to 35%	Overseas shares 0% to 15%
	Growth alternatives 0% to 15%	Growth alternatives 0% to 15%	Growth alternatives 0% to 15%	Defensive alternatives 0% to 10%
	Property 5% to 20%	Defensive alternatives 0% to 15%	Defensive alternatives 0% to 15%	Property 0% to 15%
		Property 5% to 20%	Property 5% to 20%	Diversified fixed interest 40% to 70%
		Cash 0% to 15%	Diversified fixed interest 5% to 40%	Cash 0% to 30%
			Cash 0% to 20%	

Investment option	Cash Plus
Actual asset allocation at 1 July 2008	 <p>■ Cash 100%</p>

## Investment managers

PASF's investments are managed by professional investment managers. These managers, and their products, are reviewed regularly by the Trustee and may change from time to time without prior notice to, or consent from, members.

Asset sector	Investment manager	Investment product
Australian shares	Vanguard Investments Australia Ltd Concord Capital Limited Cooper Investors Pty Limited	Vanguard Index Australian Shares Index Fund* Concord Capital Australian Shares Fund* Cooper Investors Australian Equities Fund*
Overseas shares	Altrinsic Global Advisors LLC Genesis Investment Management, LLP Zurich Investment Management Limited Trilogy Global Advisors LLC Vanguard Investments Australia Ltd	Altrinsic Global Equity Fund Genesis Emerging Markets Trust Zurich Unhedged Global Thematic Share Fund Trilogy Concentrated Global Equities Fund Vanguard Index International Shares Fund (Hedged)*
Property	Charter Hall Funds Management Limited DEXUS Property Group SG Hiscock & Company Limited and LaSalle Investment Management (Securities) LP	Charter Hall Core Plus Office Fund Dexus Wholesale Property Fund* EQT SGH LaSalle Global Listed Property Securities Trust
Liquid alternatives	Bridgewater Associates, Inc Aurora Investment Management LLC Holowesko Global Fund Ltd Barclays Global Investors Australia Limited	Bridgewater All Weather Fund Aurora Offshore Fund II Holowesko Global Fund Barclays Global Investors Cash Fund**
Private capital	Hastings Funds Management Limited ME Portfolio Management Limited	Hastings Utilities Trust Australia ISH Proprietary Limited
Bonds	Schroder Investment Management Australia Limited Vianova Asset Management Pty Ltd ME Portfolio Management Limited Barclays Global Investors Australia Limited Barclays Global Investors Australia Limited  PIMCO Australia Pty Limited	Schroders Fixed Income Fund Vianova Strategic Fixed Interest Fund The Super Loans Trust Barclays Global Investors Overseas Bond Index Fund** Barclays Global Investors Global Inflation Linked Bond Fund**  PIMCO Global Real Return Fund
Cash	Barclays Global Investors Australia Limited	Barclays Global Investors Cash Fund**

\* These investments have a value in excess of 5% of the total assets of PASF.

\*\* In combination, these investments have a value in excess of 5% of the total assets of PASF.

# How RecruitmentSuper is managed

## Trustee

PASF's Trustee is Professional Associations Superannuation Limited (PASL) (ABN 14 056 917 303, AFSL 222590). RecruitmentSuper is a division of PASF. A Board of Directors manages the Trustee. The Board has a formal Charter documenting its membership, operating procedures and the appointment of responsibilities.

The Charter sets guidelines as to the desired term of service of Directors and recognises that whilst Board renewal is essential, a mixture of skills and differing periods of service provides for balance and optimal outcomes at Board level.

The Board consists of six directors, equally representing members and employers.

The Board's sole purpose is to oversee the investments, administration and management of PASF so that its members are provided with financial benefits for retirement.

Member representatives are elected by members. An election was held in 2008 as a result of the retirement of Erica Turek. Ian Chisholm was elected and joined the Board effective 18 November 2008. The next full election for member representatives is scheduled for October/November 2010. Further details are on [page 13](#) of this Report.

Employer representatives are nominated by participating employers, employer bodies or selected as part of an executive search program.

The Trustee Directors have a varied mix of backgrounds, education and skill sets which serve to ensure the Board is highly effective. Particularly, the Trustee Directors are skilled in the areas of investments, industry, marketing, banking and finance.

All Trustee Directors have completed the Australian Institute of Company Directors' course and training appropriate to their various responsibilities within the Board and its Committees.



### Member representatives

Ian Chisholm

Marian Bolton

Sylvia Moreno

### Employer representatives

Ross Herron

John Plummer

Ross Fisher, Chairman

All Trustee Directors are remunerated for their Board and Board Committee duties. Directors' fees as a whole amounted to \$442,192 in 2008/09.

The Board meets bi-monthly and has delegated specific responsibilities to nine Committees which meet monthly or on an ad-hoc basis. These Committees are advisory in nature and are responsible for assisting the Board in fulfilling its various obligations, as defined by law and in accordance with their formal Charters. The Committees are as follows:

- Audit
- Benefit Payments
- Board Appointments
- Complaints
- Investment
- Mergers & Acquisitions
- Remuneration
- Risk, Management & Compliance
- Tender.

## Professional management

The following organisations have been retained by the Trustee to provide specialist services.

Management & Company Secretarial services	eo Financial Services Pty Ltd
Marketing & Sales	eo Pty Ltd
Administrator	Australian Administration Services
Auditor	PricewaterhouseCoopers
Banker	Commonwealth Bank of Australia
Insurers	CommInsure and Lumley General Insurance
Investment Consultant	Watson Wyatt Australia Pty Ltd
Custodian	JPMorgan

## Indemnity insurance

To protect both the Fund's assets and the Trustee Directors, a Trustee Indemnity Insurance policy is maintained with Chubb, Liberty & Dual.

## Trust Deed

The Trust Deed is the legal document containing the rules of the Fund. Changes were made to the Trust Deed effective 25 August 2008. These changes were designed to facilitate greater flexibility within the Deed to cater for Fund growth, remove redundancies and introduce new provisions. For full details on the changes, please visit our [website](#).



## Have your say in how your super is managed

Every second year, a general election is held for one of the member representative positions. This election will take place in October/November 2010. As a Fund member, you are encouraged to stand for election. Voting is open to all members of the Fund and will be conducted online. As well as making it easy for you to have a say in how your Fund is managed, conducting the election online will reduce costs and help the environment by saving paper.

Nominations will open in January 2010 and close in March 2010. You will be able to find details on how to nominate and who can be nominated on the website in January 2010. Alternatively, please send an email to [nomination@recruitmentsuper.com.au](mailto:nomination@recruitmentsuper.com.au).

Once nominations close, and before the election is held, nominees undergo a process to determine whether they are 'fit and proper' for the role, as defined by law.

Full details of each nominee and the voting process will be available on the website and also published in next year's *Annual Report*.



# Abridged financial statements

This summary has been prepared from the unaudited financial accounts for Professional Association Superannuation Fund for the year to 30 June 2009.

These financials cover all the divisions of the Fund, which includes RecruitmentSuper. In previous years, only the financials for the RecruitmentSuper division were included in this Report.

The final audit is expected to be completed by October 2009. The audited financial accounts and auditor's report will be available on request after this date by contacting **1300 304 000**. The 2008 figures in the table below are audited.

## Reserves

PASF's reserves for 2007 were \$28,425,000. Reserves for 2008 and 2009 are in the table on the right. Reserves are held by the Fund for the purpose of meeting operations requirements and investment fluctuation.

## The superannuation surcharge

The superannuation surcharge was an additional tax of up to 15% levied against the employer and before-tax (salary sacrifice) contributions of high-income earners.

The surcharge was abolished from 1 July 2005; however, RecruitmentSuper may still receive assessments from the Australian Taxation Office (ATO) for members affected by the surcharge in prior years. If this occurs, RecruitmentSuper is required to deduct any surcharge amounts from your account.

	2009	2008
<b>OPERATING STATEMENT</b>		
<b>OPENING BALANCE</b>	<b>1,320,508,111</b>	<b>1,311,670,818</b>
Contributions	313,988,517	336,322,220
Investment revenue	(154,332,588)	(90,969,914)
Other revenue	6,448,269	4,986,182
<b>TOTAL REVENUE</b>	<b>166,104,198</b>	<b>250,338,488</b>
Administration expenses	57,694,835	46,969,211
Income tax	33,938,285	36,668,849
Benefits	118,973,415	157,863,135
<b>TOTAL EXPENSES</b>	<b>210,606,535</b>	<b>241,501,195</b>
<b>CLOSING BALANCE</b>	<b>1,276,005,774</b>	<b>1,320,508,111</b>

<b>STATEMENT OF FINANCIAL POSITION</b>		
Investments	1,236,906,434	1,291,930,784
Cash at bank	38,414,393	32,818,285
Other assets	33,192,708	28,948,604
<b>TOTAL ASSETS</b>	<b>1,308,513,535</b>	<b>1,353,697,673</b>
Amounts payable	8,596,293	10,130,622
Tax provision	23,911,468	23,058,940
<b>TOTAL LIABILITIES</b>	<b>32,507,761</b>	<b>33,189,562</b>
<b>NET ASSETS</b>	<b>1,276,005,774</b>	<b>1,320,508,111</b>
<hr/>		
Members' accounts – Allocated	1,220,668,673	1,272,244,993
Members' accounts – Unallocated	21,239,550	25,210,000
Reserve	34,097,551	23,053,118
<b>LIABILITIES FOR ACCRUED BENEFITS</b>	<b>1,276,005,774</b>	<b>1,320,508,111</b>

# RecruitmentSuper – stay in touch

There are easy ways to stay in touch with us so you can continue your RecruitmentSuper membership from your first job through to your retirement years. We understand that during your life you will change jobs and homes on many occasions – which is why we have made it easy to let us know where we can contact you.

Keep your RecruitmentSuper membership for life by making sure we know how to contact you:

- Call 1300 304 000
- Log on to Member Online Services at [www.recruitmentsuper.com.au](http://www.recruitmentsuper.com.au)
- Email [info@recruitmentsuper.com.au](mailto:info@recruitmentsuper.com.au)

Unfortunately, if we do lose touch with you or no contributions are received into your account for more than a year we may have to transfer your super account into an Eligible Rollover Fund (ERF). A withdrawal fee may be charged if this occurs. We will always try and contact you before the transfer occurs, but if you have changed addresses many times it may be difficult for us to locate you.

RecruitmentSuper's ERF is called Super Safeguard. You can contact Super Safeguard or call them for a copy of their Product Disclosure Statement on:

The Administrator  
Super Safeguard  
GPO Box 3426  
Melbourne VIC 3001  
Phone 1300 135 181

If your benefit is transferred to the ERF, you will no longer be a member of, or have any rights in, RecruitmentSuper. You will need to contact Super Safeguard directly in relation to your benefit.

It is important to remember that the investment and crediting rate policy of Super Safeguard may also be different to those which applied in RecruitmentSuper. Super Safeguard does not offer any insurance cover. Any insurance cover you had in RecruitmentSuper will cease if your benefit is transferred to Super Safeguard. You should seek advice from a licensed financial adviser as to whether Super Safeguard is a suitable investment vehicle for your purposes. That's why it is important to stay in touch with us.

If you return to RecruitmentSuper, you can have your Super Safeguard account transferred into your new account.

RecruitmentSuper undertakes annual 'SuperMatch' searches of the Australian Taxation Office registries using information on our database, such as name, address and Tax File Number, to locate money held in the name of members. If RecruitmentSuper obtains a successful 'match' the member will be contacted and informed of the option to consolidate their lost super into their RecruitmentSuper account.

## Unclaimed super

RecruitmentSuper may transfer any unclaimed super to the ATO. This happens when RecruitmentSuper is holding super for members who are eligible to have their benefit paid to them in cash but have not done so, or because RecruitmentSuper has been unable to contact the member to arrange payment.

## Your local consultant

While RecruitmentSuper offers a range of online tools and publications, we realise that sometimes you may just want to speak to someone about your super.

RecruitmentSuper's Member Service Consultants are available to speak to you in person, via telephone or email about your super needs, and the benefits of being a RecruitmentSuper member.

You can contact a local representative or our Customer Service Team on **1300 304 000**.



## RecruitmentSuper contact details

For further information, contact RecruitmentSuper on:

Member hotline **1300 304 000**

Website **[www.recruitmentsuper.com.au](http://www.recruitmentsuper.com.au)**

Administration **[info@recruitmentsuper.com.au](mailto:info@recruitmentsuper.com.au)**

Member services **[memberservices@recruitmentsuper.com.au](mailto:memberservices@recruitmentsuper.com.au)**

Fax **1300 304 444**

Or write to **RecruitmentSuper  
GPO Box 4839  
Melbourne VIC 3001**

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