

2013 Annual Pension Statement

Thank you for being a member of MTAA Super. Please find enclosed:

- your **Annual Pension Statement** which shows your account balance, net earnings, account activity statement and other details as at 30 June 2013.
- a **2013 Update** which includes information on the Fund and an update on the way your super is managed.

MTAA Super's online Annual Report

The Fund's 2013 Annual Report is now available online. It contains financial year returns, an overview of the investment options, abridged financial statements and information relating to the Trustee. To read the Annual Report online, visit www.mtaasuper.com.au or call us on **1300 362 415** if you would like a printed copy sent to you free of charge.

Other important information

We are also writing to advise you of some changes we have made to the Fund's investment options. In addition there are some recent legislative changes, including those announced in the May 2013 Federal Budget, which you need to be aware of.

Change to strategic asset allocation

During a recent review of the Fund's investment strategy, the Trustee changed the Strategic Asset Allocation (SAA) of the three pre-mixed investment options.

The changes made are outlined in the following tables:

State offices

Sydney Level 5, 477 Pitt Street Sydney NSW 2000	Melbourne Level 2, 2 Lonsdale Street Melbourne VIC 3000	Canberra Level 2, 11 London Circuit Canberra ACT 2600	Perth Level 2, 12 St Georges Terrace Perth WA 6000	Adelaide Level 2, 104 Frome Street Adelaide SA 5000	Brisbane Level 10, 120 Edward Street, Brisbane QLD 4000	Hobart Ground Floor 119 Macquarie Street Hobart TAS 7000
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Conservative Option:

Previous Conservative Option objective: The Conservative Option seeks stable returns in the short to medium term through reduced exposure to risk. It is intended to be suitable for members who are willing to take on an average level of risk.

Conservative Option objective from 1 July 2013: As above – no change

Previous Investment return objective: to out-perform (after tax and fees) the CPI by 3% a year over rolling five-year periods.

Investment return objective from 1 July 2013: to out-perform (after tax and fees) the CPI by 1.5% a year over rolling five-year periods.

Mix of asset classes	Previous asset allocation % and range%	Asset allocation % and range % from 1 July 2013
Cash	34.5 (20.0 – 45.0)	34.5 (20.0 – 45.0)
Australian Fixed Interest	19.0 (5.0 – 25.0)	17.0 (5.0 – 25.0)
Overseas fixed interest	15.0 (5.0 – 25.0)	15.0 (5.0 – 25.0)
Australian Equities	8.5 (0.0 – 20.0)	10.5 (0.0 – 20.0)
International Equities	5.5 (0.0 – 20.0)	8.00 (0.0 – 20.0)
Infrastructure	7.5 (0.0 – 15.0)	7.5 (0.0 – 15.0)
Property	5.0 (0.0 – 10.0)	4.5 (0.0 – 10.0)
Alternatives Credit	3.5 (0.0 – 7.5)	1.5 (0.0 – 7.5)
Private Equity	1.5 (0.0 – 7.5)	1.5 (0.0 – 7.5)
Other	0.0 (0.0 – 5.0)	0.0 (0.0 – 5.0)

Previous Minimum suggested time frame: 3-5 years

Minimum suggested time frame from 1 July 2013: 4-5 years

Previous Standard Risk Measure: Risk Band: 3, Risk Label: Low to Medium

Standard Risk Measure: As above – no change

Previous Summary risk level: Estimated number of negative annual returns over any 20 year period: 1.9 years out of every 20 years.

Summary risk level from 1 July 2013: Estimated number of negative annual returns over any 20 year period: less than 2 years out of every 20 years.

Balanced Option

Previous Balanced Option objective: The Balanced Option seeks high long-term returns through a balanced exposure to risk. It is intended to be suitable for members who are willing to take on above-average risk.

Balanced Option objective from 1 July 2013: The Balanced Option seeks medium to high long-term returns through a balanced exposure to risk. It is intended to be suitable for members with moderate to high risk tolerance.

Previous Investment return objective: to out-perform (after tax and fees) the CPI by 4% a year over rolling five-year periods.

Investment return objective from 1 July 2013: to out-perform (after tax and fees) the CPI by 3.5% a year over rolling seven-year periods.

Mix of asset classes	Previous asset allocation %		Asset allocation % from 1 July 2013	
Cash	6.0	(0.5 – 15.0)	6.0	(0.5 – 15.0)
Australian Fixed Interest	7.0	(0.0 – 15.0)	7.0	(0.0 – 15.0)
Overseas fixed interest	6.0	(0.0 – 15.0)	6.0	(0.0 – 15.0)
Australian Equities	26.0	(5.0 – 35.0)	26.0	(5.0 – 35.0)
International Equities	20.0	(5.0 – 35.0)	25.0	(5.0 – 35.0)
Infrastructure	15.0	(0.0 – 35.0)	15.0	(0.0 – 35.0)
Property	10.0	(0.0 – 25.0)	9.0	(0.0 – 22.5)
Alternatives Credit	7.0	(0.0 – 20.0)	3.0	(0.0 – 17.5)
Private Equity	3.0	(0.0 – 12.5)	3.0	(0.0 – 12.5)
Other	0.0	(0.0 – 12.5)	0.0	(0.0 – 12.5)

Previous minimum suggested time frame: 5 years

Minimum suggested time frame from 1 July 2013: At least 7 years

Previous Standard Risk Measure: Risk Band: 6, Risk Label: High

Standard Risk Measure from 1 July 2013: Risk Band: 5, Risk Label: Medium to High

Previous summary risk level: Estimated number of negative annual returns over any 20 year period: 5 years out of every 20 years.

Summary risk level from 1 July 2013: Estimated number of negative annual returns over any 20 year period: less than 4 years out of every 20 years.

Growth Option

Previous Growth Option objective: The Growth Option seeks high long-term returns through a controlled exposure to specific risk. It is intended to be suitable for members who are willing to take on above-average risk with a seven-year or longer investment time horizon.

Growth Option objective from 1 July 2013: The Growth Option seeks high long-term returns through a controlled exposure to specific risk. It is intended to be suitable for members who are willing to take on above-average risk with a ten-year or longer investment time horizon.

Previous Investment return objective: to out-perform (after tax and fees) the CPI by 5% a year over rolling seven-year periods.

Investment return objective from 1 July 2013: to out-perform (after tax and fees) the CPI by 4.5% a year over rolling ten-year periods.

Mix of asset classes	Previous asset allocation %	Asset allocation % from 1 July 2013
Cash	3.0 (0.0 – 10.0)	0.0 (0.0 – 10.0)
Australian Equities	24.0 (10.0 – 30.0)	39.0 (20.0 – 50.0)
International Equities	23.0 (10.0 – 30.0)	36.0 (20.0 – 50.0)
Infrastructure	21.5 (0.0 – 45.0)	12.5 (0.0 – 30.0)
Property	14.0 (0.0 – 30.0)	7.5 (0.0 – 17.5)
Alternatives Credit	10.0 (0.0 – 20.0)	2.5 (0.0 – 7.5)
Private Equity	4.5 (0.0 – 17.5)	2.5 (0.0 – 12.5)
Other	0.0 (0.0 – 15.0)	0.0 (0.0 – 5.0)

Previous minimum suggested time frame: Long-term; 7 years plus

Minimum suggested time frame from 1 July 2013: Long-term; at least 10 years

Previous Standard Risk Measure: Risk Band: 6, Risk Label: High

Standard Risk Measure from 1 July 2013: As above – no change

Previous summary risk level: Estimated number of negative annual returns over any 20 year period: 5 years out of every 20 years.

Summary risk level from 1 July 2013: Estimated number of negative annual returns over any 20 year period: less than 5.5 years out of every 20 years.

Legislative changes

Tax on pension account investment earnings

From 1 July 2014, the Fund will be required to apply a 15% tax to investment earnings over \$100,000 for retirement accounts in pension phase. Currently, there is no tax on these investment earnings.

This proposed change is not yet law.

Social security deeming rules

From 1 January 2015, normal income test deeming rules will be extended to new account based pension products. These rules will not be applied to account based pension products that were commenced prior to this date, so no existing pensions will be affected unless a transfer is made to a new pension product after 1 January 2015.

This proposed change is not yet law.

Further assistance

If you have queries relating to any of these matters, please call us on **1300 362 415** or visit our website **www.mtaasuper.com.au**. We are here to assist you achieve your financial goals for retirement.

Yours sincerely,



Leeanne Turner
Chief Executive Officer
MTAA Super