

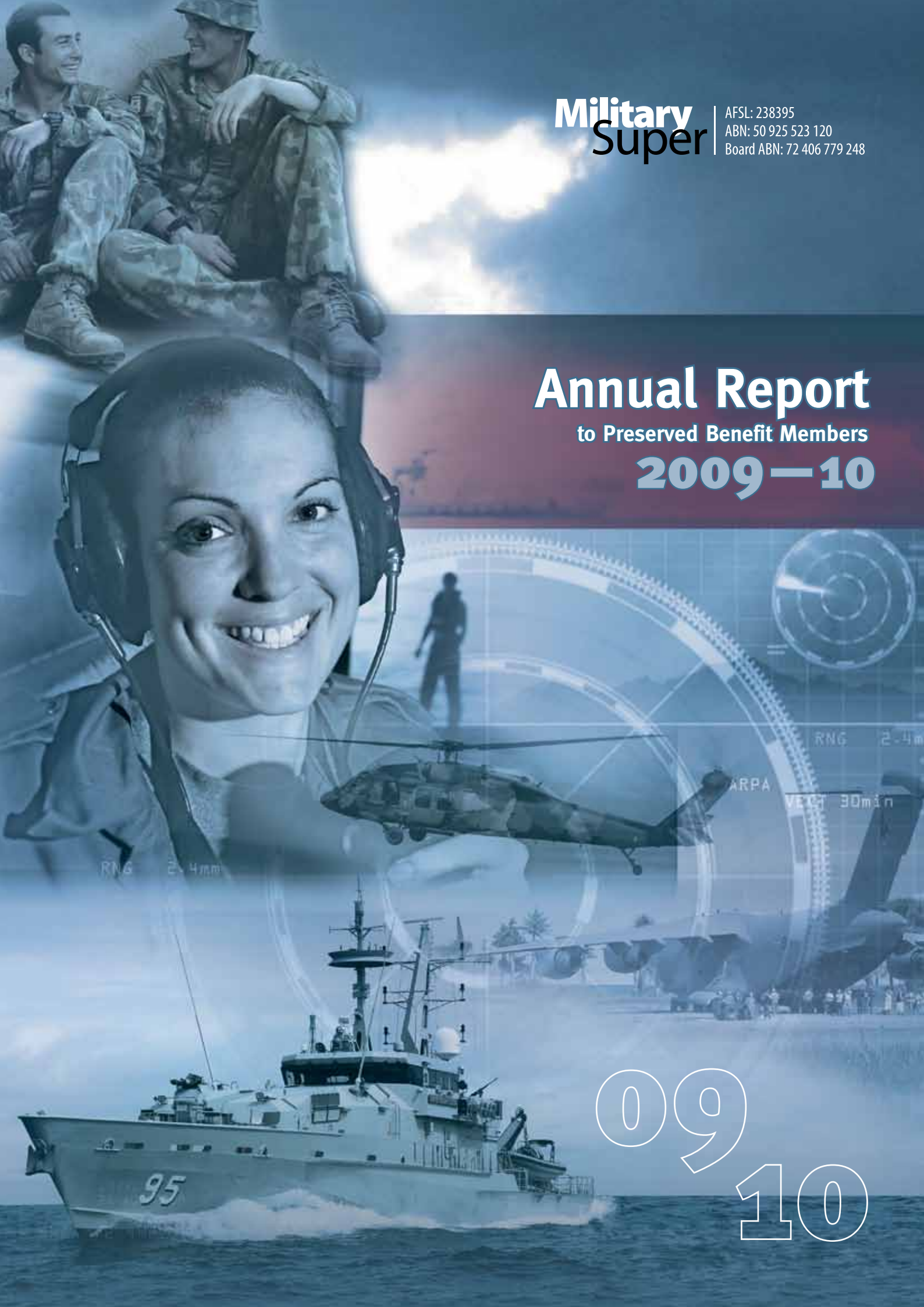
**Military
Super**

AFSL: 238395
ABN: 50 925 523 120
Board ABN: 72 406 779 248

Annual Report

to Preserved Benefit Members

2009—10



09
10

This report is issued by the Military Superannuation and Benefits Board of Trustees No. 1 (the Board).

Any financial product advice in this document is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Therefore, before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation or needs. You may wish to do so with or without the assistance of a licensed financial adviser.

The information contained in this document is correct at the time of printing in September 2010. Changes to Government legislation or superannuation rules made after this date may affect its accuracy.

What's Inside Your 2010 Report

Message from the Chairman	2
Super Update	4
A Quick Guide to MilitarySuper	7
The Board	8
MilitarySuper's Investment Strategy	10
Your Investment Options	12
Investment Overview 2009–10	15
MilitarySuper's Investment Performance	16
Financial Statements	24
Management and Business Overview	25
Privacy, Enquiries and Complaints Resolution	28



Message from the Chairman

On behalf of the Board, I am pleased to present MilitarySuper's 2009–10 Annual Report to Members on the operations of your Scheme for the financial year to 30 June 2010.

The 2009–10 year was volatile and challenging for superannuation funds. While recovery in global investment markets appeared to begin in mid-2009, the aftershocks of the Global Financial Crisis (GFC), the emerging debt problems of some European economies and the continuing weak economic performance of the United States and other major economies saw the markets fall back during the June quarter 2010. We expect that investment markets will continue to be volatile for the foreseeable future.

MilitarySuper's Growth Option, the Fund's default option in which the vast majority of Members are invested, returned 2.15% net of fees, charges and taxes in 2009–10. We are disappointed with this short-term, one-year performance, largely attributable to our conservative and long-term investment focus and because we had to write off and write down a number of investments made before the GFC.

Your superannuation is a long-term investment for retirement and its performance should be more properly considered over longer periods. Over three and five years, MilitarySuper's performance for all investment options, with the exception of the Conservative Option, was assessed by the independent ratings agency SuperRatings, as being similar to that of comparable funds.

Although we might have come through the worst of the GFC, the Board has made changes to the investment strategy to preserve and enhance the security of Members' funds, particularly in light of the uncertain economic outlook. We are looking for strong returns but at the same time are always conscious of the risks involved.

You can read more about MilitarySuper's comparative performance over five, three and one-year periods at page 16 of this annual report.

Superannuation is a long-term investment and staying the course with a suitable strategy is essential, especially during times of heightened market instability and economic shocks. Your Board remains committed to investing in and holding quality assets for the longer term and across economic cycles.

In the context of this year's results, it is worth noting that MilitarySuper benefits have two sources:

- a Member component, made up of a Member's contributions plus earnings from the Fund; and
- an employer component, which is payable at retirement as either a pension, lump sum or combination of these and is based on a defined formula which is guaranteed and not directly linked to or affected by investment performance.

For Contributing Members, it is the member component that is affected by investment returns, rather than the employer component which is the far greater part of the total benefit.

For Preserved Benefit Members, the investment return from the Fund is applied to the preserved member component and to the funded productivity portion of the employer component. The balance of the preserved benefit, usually the largest portion, is indexed in line with inflation and is not affected by the Fund's investment performance.

Merger of the Boards of the Major Commonwealth Superannuation Schemes

In October 2008 the Government announced that it intended to merge the MilitarySuper Board, the DFRDB Authority and the ARIA Board (the trustee of the CSS, PSS and PSSap civilian schemes) from 1 July 2010. The Senate had not completed considering the relevant Bills when Parliament was dissolved in late June for the August 2010 election.

The Year Ahead

The coming year is shaping up as one of regulatory change for superannuation and financial services. On 5 July 2010 the Government released the Cooper Report, the review into the governance, efficiency, structure and operations of Australia's superannuation system. The Review examined 10 broad areas of the superannuation system and made 177 recommendations. It is expected that the next Government will consider those



recommendations in the context of other recent reviews, including the report on Australia's Future Tax System (the Henry Review) and the report of the Parliamentary Joint Committee on financial products and services (the Ripoll Review). You can read more about the impact of these three reviews at page 6 of this Annual Report.

Your Board is carrying out a comprehensive review of the MilitarySuper organisation. During 2010–11 we will examine and continue to upgrade all areas of our operations including:

- investment strategy;
- investment operations and risk management; and
- services for and communications with Members through the administrator, ComSuper.

The Board intends to improve further MilitarySuper's capability and professionalism and we look forward to introducing improved Member services and product enhancements.

I encourage you to visit our website throughout the year for updates that will include improved online functionality, tools and information, and more fact sheets and articles to help you make the most of your superannuation.

Valued Stakeholders

I am grateful for the support over the past year of the former Minister for Defence Personnel, Materiel and Science, the Hon. Greg Combet, AM, MP, and the Minister for Defence Personnel, the Hon. Alan Griffin MP. I thank the former Minister for Finance and Deregulation, the Hon. Lindsay Tanner, MP for his support and confidence, particularly in relation to the proposed board amalgamation. I also want to thank the Chief of the Defence Force, Air Chief Marshal Angus Houston, AC, AFC, for his continued and constructive support, and Dr Ian Watt, AO, Secretary of Defence.

Finally, I record my appreciation of our staff for their hard work and dedication during the year and of my fellow trustees for their high level of service in the interests of Members and the government.



Tony Hyams
Chairman



Super Update

During 2009–10, the Government announced a large number of changes to superannuation arrangements – both specific to MilitarySuper and general changes to national superannuation arrangements.

Many of these changes require legislation in order to take effect and some will only apply to Contributing Members. Legislation for some of them had not been passed when Parliament was dissolved for the 21 August Federal election. Legislation that had not passed all stages through both the House of Representatives and the Senate lapsed. It will be up to the new Government to decide whether to reintroduce lapsed legislation and if it is reintroduced whether it will be in the same or a different form to legislation presented to the last Parliament. In addition, legislation on some major superannuation policy changes, such as the proposed increase in compulsory Superannuation Guarantee payments, has not yet been drafted or presented to Parliament.

MilitarySuper will update Members as appropriate if the proposed changes become law.

Compulsory Retirement Age (CRA)

On 22 October 2009 the then Minister for Defence Personnel, Materiel and Science, Greg Combet, announced a change in death and invalidity benefits for Members of MilitarySuper.

Benefits for death and invalidity payments are now calculated in line with the change to the compulsory retirement age for ADF members (which, for most ADF members is now 60). This change has been backdated to apply from 1 July 2007.

This change affects the calculation of Class A and B invalidity and death (in service) benefit entitlements provided under the MilitarySuper Scheme (the Scheme). Eligible benefit payments are currently being reviewed and where necessary adjustments will be made.

Members and pensioners will be advised of any change to their current benefits as soon as the review has been completed and any increased benefit amount will be paid with interest.

Superannuation Guarantee – Proposed Changes

In its response to the Report on Australia’s Future Tax System (the Henry Tax Review) the Government announced it would increase the existing 9% Superannuation Guarantee (SG) payment rate to 12% over six years to 2019–20.

The SG rate would be increased gradually with initial increments of 0.25 percentage points on 1 July 2013 and on 1 July 2014. Further increments of 0.5 percentage points would apply annually up to 2019–20, when the SG rate will reach 12%.

In most cases, MilitarySuper employer support already exceeds 12%. Any increase from 9% may be absorbed into existing contributions levels for MilitarySuper Members and a top-up payment made as necessary.

Proposed Merger of the MilitarySuper Board, ARIA Board and the DFRDB Authority

In October 2008 the Government announced that it intended to merge the MilitarySuper Board, the DFRDB Authority and the ARIA Board (the trustee of the CSS, PSS and PSSap civilian schemes) from 1 July 2010.

In February 2010 the Government introduced a package of bills into the Parliament to support these Government reforms.

The Bills were not passed by the Parliament before the proposed commencement date of 1 July 2010 and the legislation lapsed when Parliament was dissolved.

Until this or similar legislation is passed by the Parliament, the MilitarySuper Board continues as the trustee of the MilitarySuper Scheme and Fund.

Limit on Concessionally Taxed Superannuation Contributions

The Government will continue to limit the amount of concessionally taxed voluntary superannuation contributions by individuals to \$50,000 (indexed) for people aged 50 or over who have total superannuation balances of less than \$500,000 at 30 June 2012.

The Government had previously reduced the concessional contributions cap from \$100,000 to \$50,000 in the 2008 Budget. The current \$50,000 concessional contributions cap for individuals aged 50 or over is due to expire on 1 July 2012, but the Government has now foreshadowed it may be extended.

Eligible individuals under the age of 75 will still be able to make non-concessional contributions to superannuation up to \$150,000 per year. Those under 65 can also bring forward two years' worth of non-concessional contributions, allowing them to contribute up to \$450,000 of non-concessional contributions in any three-year period.

The concessional contribution cap of \$25,000 for individuals aged under 50 will continue to apply for the 2010-11 financial year and, thereafter, will be indexed annually to average weekly ordinary time earnings (AWOTE) and rounded down to the nearest multiple of \$5,000.

For MilitarySuper Members, concessional contributions include both salary sacrifice contributions and productivity contributions paid by the Department of Defence. After-tax contributions are non-concessional contributions and, for MilitarySuper Members, include mandated Member contributions and any additional personal contributions.

More information regarding the superannuation contribution caps is available from the Australian Taxation Office website at www.ato.gov.au. MilitarySuper will keep Members updated on these proposed changes through our website and other media as appropriate.

Government Refund on Concessional Contributions

The Government intends to pay a superannuation contribution of up to \$500 annually for individuals on taxable incomes of up to \$37,000. Superannuation contributions made from 2012-13 would be eligible for the Government contribution. This would be paid in 2013-14.



The amount will be calculated by applying a 15% matching rate to the concessional contributions made by or for individuals on adjusted taxable incomes of up to \$37,000, with an annual maximum amount payable of \$500 (not indexed). The co-contribution must be preserved in a superannuation fund or Retirement Savings Account (RSA) and can only be accessed when other preserved amounts can be accessed.

Eligible non-concessional superannuation contributions (after-tax voluntary contributions) will continue to receive the Government Superannuation Co-contribution, which will remain at the matching rate of 100% with the maximum co-contribution payable of \$1,000.

Rule Change on Reportable Employer Superannuation Contributions

The Government has announced it will change the definition of Reportable Employer Superannuation Contributions (RESC) used to determine eligibility for Government benefits.

Under the new rules, contributions made on behalf of an individual, which the individual or their employer have no real capacity to influence will be excluded from the RESC definition used for means testing government payments.

Excluded contributions include additional employer contributions that are prescribed in legislation and not capable of being influenced by the individual or their employer.

Formal salary sacrifice arrangements and other contributions that the individual has capacity to influence will continue to be included.

The changes have been back-dated to apply from 1 July 2009.

Major Reviews Affecting Superannuation

During 2009–10 the Government received three major reports which are likely to affect the future of superannuation in Australia. They were:

- The Superannuation System Report (the Cooper Review)
- Australia's Future Tax System (the Henry Review)
- The inquiry of the Joint Parliamentary Committee on Corporations and Financial Services into financial services and products (the Ripoll inquiry)

Each made many recommendations of which key ones were:

- Cooper
 - Restructuring the superannuation system to introduce a common or basic type of superannuation called MySuper with low fees and limited investment options.
 - Establishing a compulsory, universal system of e-commerce in the superannuation industry using Tax File Numbers to improve the efficiency of superannuation transactions and to make it easier to trace lost superannuation accounts.
- Henry
 - A very wide ranging review of the entire taxation system except for GST.
 - In response to this review, the Government announced it would increase Superannuation Guarantee payments and introduce the Resource Super Profits Tax, later called the Mineral Resource Rent Tax.
- Ripoll
 - That financial advisers be required by law to act in the best interests of clients and that financial service companies be prevented from paying advisers commissions for selling their products. In response, the Government announced it would ban financial advisers from charging commissions and instead they would be paid fees for service.

The Government responded to only a few of the issues raised by the Henry review, accepted most of the key recommendations in the Cooper review and went further than the Ripoll review recommended.

Full details of these reviews, their recommendations and the Government's initial responses are available from the following websites:

Henry www.futuretax.gov.au
Cooper www.supersystemreview.gov.au
Ripoll <http://futureofadvice.treasury.gov.au>

The recommendations of all three enquiries are expected to influence government policy and decisions for some time, and the Government is likely to re-visit all three reports.

MilitarySuper will keep you informed of developments and progress through the MilitarySuper website and other media as appropriate.



A Quick Guide to MilitarySuper

Flexible Investment Options

MilitarySuper offers you five investment options. You can choose any combination of them for investment of your contributions and Ancillary Benefits. More information about the investment options can be found on page 12 of this annual report under *Your Investment Options*.

Pension Option

MilitarySuper offers very competitive lump sum to pension conversion rates for the Employer Benefit, with a pension option for life that is fully indexed by the Consumer Price Index (CPI).

No Administration Fees or Charges

Your MilitarySuper administration fees and charges are paid by your employer. This means more super in your Member account.

Informing Members

As well as your Annual Member Statement and Annual Report, you will also receive a regular MilitarySuper newsletter to keep you up to date. The latest unit prices, copies of the annual financial statements and the trust deed and other useful information are available at www.militarysuper.gov.au or by phoning **1300 006 727**.

Online Access

Our website provides you with information about your benefits and allows you to view your latest Annual Member Statement and update your details. The website also provides a range of general financial and Scheme information.

Further Information

More information on MilitarySuper's benefits is available from *The MilitarySuper Book* which can be downloaded from MilitarySuper's website at www.militarysuper.gov.au or requested by phoning **1300 006 727**.



The Board

Managing Your Super

A Board of five trustees is responsible for managing the Scheme. These five trustees comprise:

- An independent Chairperson, appointed by the Minister for Defence Personnel.
- Two employee representatives (one Officer and one Other Rank member) nominated by the Chief of the Defence Force and appointed by the Minister for Defence Personnel.
- Two employer representatives, appointed by the Minister for Defence Personnel, who are experienced in government policy and administration.

With the exception of one of the employer representatives, trustees hold office for up to three years, and can be reappointed. When the current employer representative who has been appointed at the Minister's pleasure leaves office, his replacement will be appointed for up to three years. Trustees are removed in the same way they are appointed.

The Board is responsible for ensuring the Scheme is operated according to the rules specified in the Scheme's enabling legislation, according to superannuation law and in the best interests of all Members. The *Military Superannuation and Benefits Act 1991* (the MSB Act) and Trust Deed are the Scheme's governing legal framework. They set out the duties of the Trustees and the responsibilities and powers of the Board. These include responsibilities for administration of the Scheme and management and investment of Members' monies, which comprise the Fund.

To assist in fulfilling its duties, the Board has established specialist committees. The committees give additional focus to significant functions, monitor and evaluate effectiveness and performance of these functions and make recommendations to the Board. At 30 June 2010, the committees were:

- Audit and Risk Management Committee
- Communication Committee
- Risk Budget Committee
- Reconsideration Committee*
- Invalidity Classification Committee.*

* *The Reconsideration Committee and the Invalidity Classification Committee are set up under the MSB Rules as decision-making bodies.*



The Board

Standing (l to r): Warrant Officer Robert Swanwick, Mr Felix Bleeser.

Seated (l to r): Mr Gabriel Szondy, Mr Tony Hyams, Brigadier Bob Brown.



Trustees Holding Office at 30 June 2010 were:

Chairman

Mr Tony Hyams

- Trustee since 1 September 2007.
- Member, Risk Budget Committee.

Mr Hyams is also Chairman of the Australian Reward Investment Alliance (ARIA), the trustee of the Commonwealth's main civilian superannuation schemes; Deputy Chairman of the Australian Maritime Safety Authority and a director of several private sector organisations. He is a Governor of WWF Australia. He was formerly Head of Credit Suisse in Australia and is now a senior advisor to the Group. He has degrees in Law and Commerce from the University of Melbourne and brings to the role of Chairman a broad knowledge and understanding of investment, financial and superannuation matters.

Employer Representatives (Appointed by the Minister)

Mr Gabriel Szondy

- Trustee since 1 August 2007.
- Chairman, Audit and Risk Management Committee.
- Member, Risk Budget Committee.

A former senior partner and head of the superannuation tax practice of PricewaterhouseCoopers in Melbourne, Mr Szondy has over 30 years experience in the audit and taxation profession and superannuation industry and is widely acknowledged as one of the foremost superannuation experts in Australia. He is a Fellow of the Institute of Chartered Accountants, Fellow of the Taxation Institute of Australia and a Fellow of the Association of Superannuation Funds in Australia (ASFA).

Mr Szondy was a member of the Victorian Executive Group of ASFA and immediate past Chairman of its National Taxation Policy Committee. He is also an independent director of CareSuper and is a director of Frontier Investment Consulting.

Mr Felix Bleeser

- Trustee since 1 March 2005.
- Member, Audit and Risk Management Committee.

Mr Bleeser is a former Assistant Secretary Financial Training in the Defence Chief Finance Office and was also previously the Director General Defence Occupational Health Safety and Compensation. He has extensive experience in personnel policy and management in

Defence, and was a member of numerous Defence review bodies, including the review of the Defence Force Retirement and Death Benefits Scheme, the Defence Efficiency Review and the Strategic Review of Defence Personnel Policies into the 21st Century.

He is a past Director of Superannuation Policy in Defence and an alternate member of the Defence Force Retirement and Death Benefits Authority, the Military Rehabilitation and Compensation Commission and the Government's Safety Rehabilitation and Compensation Commission. He is a member of the Australian Institute of Company Directors.

Employee Representatives (Nominated by the Chief of the Defence Force)

Brigadier Bob Brown, CSC

- Trustee since 18 October 2007.
- Chairman, Communication Committee.

Brigadier Brown served for 35 years in the Australian Army, as an infantry officer, including service with the United Nations and in Iran and Iraq. His appointments included Director General Personnel Policy, Headquarters Joint Operations Command Project and Joint Combined Training Capability. He is currently working at Headquarters Joint Operations Command. He has a Masters of Strategic Studies and is a Fellow of the Australian Institute of Company Directors.

Warrant Officer Robert Swanwick, MAICD

- Trustee since 22 September 1997.
- Member, Audit and Risk Management Committee.
- Member, Communication Committee.

Warrant Officer Swanwick is an Air Force Loadmaster who has served throughout Australia and overseas for over 30 years and is currently the Airmen Aircrew Work Force Planner, within the Directorate of Personnel Capability Management – Air Force. He has been posted to various Tri Service programs within Defence HQ, Air Force and Army units and attached to Navy establishments. He has completed several operational deployments including to the Sinai Peace Keepers and three recent deployments to the Middle Eastern Area of Operations.

He holds a Diploma in Frontline Management and in Aviation and has extensive training in communications, investment and superannuation administration.



MilitarySuper's Investment Strategy

Managing and investing MilitarySuper's assets is a prime responsibility of the Board. It is responsible for investing contributions paid by Members, including ancillary contributions and the funded employer productivity contributions. These comprise the Fund's assets. The Fund's assets exclude the 'unfunded' employer benefit which is funded from Consolidated Revenue when the benefit becomes payable.

The Board, with the help of its investment advisers, develops a long-term investment strategy for the Fund. To implement the strategy, specialist fund managers are appointed to invest the assets. Each manager is given specific instructions, called investment mandates, about how the funds are to be invested and the return objectives sought.

The Board regularly reviews the investment strategy and, with its advisers, monitors fund managers' performances and measures them against the targets.

Strategic Review

The Board routinely reviews the strategic asset allocation of the Fund's investment options, to ensure that they remain appropriate in often changing investment environment. Reviews consider economic and market circumstances and opportunities that may require strategic (longer-term) or tactical (shorter-term) changes.

The Fund's investments shown in this report are based on the Board's current expectations for each option using the advisers' long-term assumptions about market risk and returns. These settings may change and the past performance of each investment option should not be taken as an indicator of likely future performance. Nor can future performance be guaranteed.

For more information on the Scheme's investment strategies, refer to *Your Guide to Investment Choice* which, with *The MilitarySuper Book*, forms MilitarySuper's Product Disclosure Statement. Download a copy from our website or call MilitarySuper on **1300 006 727** for a copy.



Derivatives

The Board's investment policy allows managers to use derivatives subject to strictly controlled limits. The Fund's managers use derivatives as part of implementing the Board's investment strategy. Derivatives may include futures contracts, put options, call options, swaps and forward contracts. They allow the Board to hedge its positions or to increase its exposure to a particular market. The Board does not use derivatives to leverage its positions.

Reserves

The Board does not maintain investment reserves for any of the Fund's investment options. All investment earnings are distributed to Members.

Indemnity Insurance

The Board maintains trustee indemnity insurance that complies with Section 912B of the *Corporations Act 2001*. This is to ensure that the Fund's assets are protected against losses, liabilities, actions, claims and demands against the Board that may arise from actions of the Board and staff of the Scheme Administrator acting as authorised representatives of the Board under its Australian Financial Services Licence. The Department of Defence also provides an indemnity against any errors and omissions by staff of the Scheme Administrator which cause a loss to the Fund. To date there has not been any claim against the insurance policy, nor have regulatory penalties been applied to MilitarySuper.

No buy-sell spread

The Board does not apply buy-sell spreads on entry or exit from the Fund or on switching between investment options. This policy may be reviewed in the future.



Your Investment Options

MilitarySuper offers you the choice of one, or a combination of any of the five investment options described below for your Preserved Member and/or ancillary contributions.

Each option holds a different combination of investments, or asset allocation, which is determined by the Board with the assistance of its professional investment advisers. The Board periodically reviews the asset allocation for each option to ensure it remains appropriate. The reviews allow the Board to consider investment market and general economic outlooks and forecasts and to take advantage of investment opportunities as they arise.

Choosing the right investment option for your super is an important decision affecting your financial future. MilitarySuper's Product Disclosure Statement provides more information on the choices you have. Call MilitarySuper on **1300 006 727** or go online to order a hard copy.

If you need help making a decision, you should seek advice from a licensed or appropriately authorised financial adviser.

The five investment options are:

- Cash
- Conservative
- Balanced
- Growth (default)
- High Growth

Cash

This option maximises protection against capital loss, investing only in secure cash investments such as bank deposits, bills, and short-term funds.

Net return for 2009–10: 3.50%

Investment Objectives

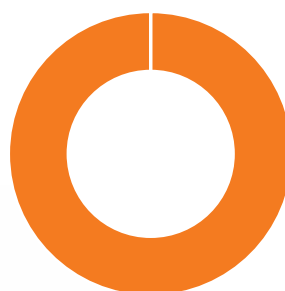
- To achieve returns that match the UBS Bank Bill Index¹, over a one-year period.

Level of Risk

- Very low: Cash investments generally provide a positive return with the probability of a negative return being extremely low.

Asset Allocation

	Strategic Asset Allocation
Cash	100.0%
Debt	0.0%
Property	0.0%
Australian Shares	0.0%
International Shares	0.0%
Private Equity	0.0%
Infrastructure	0.0%
Uncorrelated Alpha	0.0%
Alternative Debt	0.0%



Investor Suitability

- This option is expected to experience very low volatility and a consistent, but lower level of return compared with the Fund's Balanced, Growth and High Growth options.
- The option may be suitable if your investment timeframe is less than two years or your most important consideration is avoiding a negative return in any one year.



Conservative

This option invests in a conservative mix of assets, mostly cash and debt (such as fixed interest and infrastructure), with some investment in growth-type assets, such as shares and property.

Net return for 2009–10: 0.44%

Investment Objectives

- To achieve an averaged yearly return that is more than 1% higher than the UBS Bank Bill Index¹, net of fees and taxes, over rolling three-year periods.

Level of Risk

- Low: The probability of a negative return is approximately one in every 20 years, on average.

Asset Allocation

	Strategic Asset Allocation
Cash	46.0%
Debt	28.0%
Property	7.5%
Australian Shares	9.5%
International Shares	6.0%
Private Equity	0.0%
Infrastructure	3.0%
Uncorrelated Alpha	0.0%
Alternative Debt	0.0%



Investor Suitability

- This option is expected to experience lower volatility than the Fund's Balanced, Growth and High Growth options.
- The option may be suitable if your investment timeframe is three years or greater and you are able to tolerate a degree of variability of returns over the short term with a view to achieving reasonable returns over the medium term.

¹ The USB Bank Bill Index is a measure constructed to gauge the investment performance of short-term cash portfolios. The Index comprises of bank bills with maturity dates evenly staggered between 7 days and 91 days.

Balanced

This option invests in a diversified mix of assets such as debt (including fixed interest and infrastructure debt), but with a bias towards growth assets, such as shares.

Net return for 2009–10: 0.90%

Investment Objectives

- To achieve, on average, a return of 8% a year, net of fees and taxes, over rolling five-year periods.

Level of Risk

- Medium: This option might produce negative returns from time to time. The probability of a negative return is approximately 3.8 in every 20 years, on average.

Asset Allocation

	Strategic Asset Allocation
Cash	5.0%
Debt	27.5%
Property	9.0%
Australian Shares	26.5%
International Shares	17.0%
Private Equity	5.0%
Infrastructure	8.0%
Uncorrelated Alpha	0.0%
Alternative Debt	2.0%



Investor Suitability

- This option is expected to experience lower volatility compared with the Fund's Growth and High Growth options.
- The option may be suitable if your investment timeframe is five years or greater and you wish to achieve an attractive return over the longer term and are able to tolerate a reasonable level of variability in returns over the short term.

Growth (Default)

Growth is the Fund's default option given the demographics and other fundamental characteristics of the dominant population of the Fund's membership.

This option invests mainly in assets with growth characteristics, including private equity, infrastructure, shares and property, with some investment in debt and cash.

Investment ranges within the asset allocation allow the Board to make tactical decisions and respond to changing markets and economic circumstances.

Net return for 2009–10: 2.15%

Investment Objectives

- To achieve, on average, a return of 10% a year, net of fees and taxes, over rolling five-year periods.

Level of Risk

- High: This option is likely to experience short to mid-term volatility. The probability of a negative return is approximately 4.9 in every 20 years, on average.

Asset Allocation

	Strategic Asset Allocation	Investment Range*
Cash	10.0%	0-50%
Debt	5.0%	0-50%
Property	10.0%	0-20%
Australian Shares	25.0%	10-40%
International Shares	20.0%	10-40%
Private Equity	15.0%	0-25%
Infrastructure	10.0%	0-20%
Uncorrelated Alpha	0.0%	0-10%
Alternative Debt	5.0%	0-15%



Investor Suitability

- This option is expected to experience lower volatility compared with the Fund's High Growth Option.
- The option may be suitable if your investment timeframe is seven years or greater and you wish to achieve an attractive return over the longer term and are able to tolerate a reasonably high level of variability in returns over the short term.

* The investment ranges allow the Board to make tactical investment decisions and respond to changing markets and economic circumstances. These ranges only apply to the Growth option as all other investment options are balanced weekly to their long-term strategic asset allocations.

High Growth

This is the most aggressive option, investing totally in growth assets, with no direct investment in cash or debt. Its performance is highly dependent on returns generated by listed equity markets.

Net return for 2009–10: -1.60%

Investment Objectives

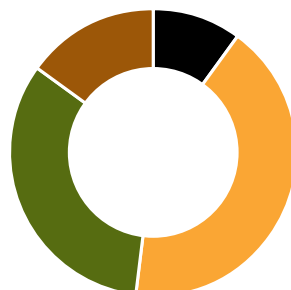
- To achieve, on average, a return of 11% a year, net of fees and taxes, over rolling seven-year periods.

Level of Risk

- Very high: This option is likely to experience return volatility in the short to mid-term. The probability of a negative return is approximately 5.1 in every 20 years, on average.

Asset Allocation

	Strategic Asset Allocation
Cash	0.0%
Debt	0.0%
Property	10.0%
Australian Shares	42.0%
International Shares	33.0%
Private Equity	15.0%
Infrastructure	0.0%
Uncorrelated Alpha	0.0%
Alternative Debt	0.0%



Investor Suitability

- This option is expected to experience a higher volatility than the Fund's other options.
- The option may be suitable if your investment timeframe is seven years or greater and you wish to achieve an attractive return over the longer term and are able to tolerate a high level of variability in returns over the short term.

Investment Overview 2009–10

The global economy started to recover in 2009–10 but economic conditions remained fragile and uneven across regions. The emerging economies, especially Asia, have recovered strongly. However recovery in the United States and in other advanced economies has been slower, largely as a result of recessionary pressures. Growth has been particularly weak in Europe and the outlook continues to be uncertain due to sovereign debt problems in some countries.

The Australian economy has fared relatively better. The slowdown was mild during the height of the Global Financial Crisis (GFC) and growth and employment have subsequently improved. Australia is likely to continue to benefit from strong growth in Asia and, in particular, from continuing strong demand for Australian commodities.

The aftermath of the GFC is expected to continue to trouble the world's economies and financial markets in 2010–11. The most serious difficulty is likely to be escalating government debt brought about by the fiscal stimulus packages used by some countries to underpin their economies. Across advanced economies government debt increased by one-third between 2008 and 2010 and reached unsustainably high levels in some countries. In particular, concern about sovereign debt levels in Europe and its potential to hamper economic growth was a major source of instability in equity and debt markets in the first half of 2010.

World share markets, although volatile, generally rallied over most of 2009–10. The benchmark US share index (S&P 500) increased by 12% and Australia's major share index benchmark (ASX S&P 300) increased by 8.7% over the year. Both the US and Australian share markets' high peaks for the year were reached in mid-April, and then declined, driven by concerns for the emerging European sovereign debt issues and the negative impact this would have on global economic growth. Share markets have since stabilised, but will be buffeted in 2010–11 by concerns of a slowdown in China and fears the US recovery could falter.

The Australian dollar also trended up for most of the year, starting at \$US0.81 and by 30 June 2010 it was worth \$US0.85, having peaked at \$US0.93 in April. This reflected changed sentiments for the prospects for global economic growth. Also, prices for Australian commodities rose strongly in the latter months of the financial year. This reflects ongoing strong demand, especially from Asia, and will help underpin Australia's economic growth.



MilitarySuper's Investment Performance

MilitarySuper's investment performance over 2009–10 remained subdued largely due to our conservative position in cash, relatively low allocations to listed share markets and listed property and partly as a result of some asset value write-downs.

MilitarySuper's unlisted asset portfolio, largely comprising private equity, property and infrastructure, and representing about 40% of the Fund's total assets, under performed. This was attributable to a few US and European-based investments made before the GFC having been written-off, and some other pre-GFC unlisted assets experiencing lower revaluations.

While the performance of our unlisted investments have taken longer to recover than the listed ones, we have seen the value of many positively revalued.

MilitarySuper maintains a diverse spread of listed shares. The broader share market recovery began in March 2009 and continued until April 2010, when markets reflected concern about the strength and sustainability of the global recovery. By year's end listed share markets had fallen 11.7% since the start of 2010 but still finished the financial year up 8.7%.

Comparative Performance

MilitarySuper's Growth option, the Fund's default option in which the vast majority of Members are invested, returned 2.15% net of fees, charges and taxes.

Over the last three and five years, MilitarySuper's performance for all investment options, with the exception of the Conservative Option, have performed to expectation and have been assessed by the independent ratings agency SuperRatings as being comparable to the performance of similar funds' investment options over these periods.

The table below shows the average and compounded annual returns (in brackets) for each of MilitarySuper's investment options since inception and over the last three, five and seven years, and 10 years for the Growth Option.

The averaged longer-term returns may not reflect your personal returns as credited to your account. These reflect long-term returns at the investment option level in which funded benefit components are invested. Your personal account returns depend on your chosen investment option(s) over a given period and are reported separately in your Annual Member Statement.

Average Returns (Compounded Average Annual Returns)*

Option	1 year	3 years	5 years	7 years	10 years	Since inception
Cash	3.5%	4.6% (4.6%)	5.0% (4.9%)	4.8% (4.8%)	N/A	4.8% (4.8%)
Conservative	0.4%	-0.7% (-0.3%)	3.4% (3.5%)	4.7% (4.8%)	N/A	4.7% (4.8%)
Balanced	0.9%	-3.3% (-3.0%)	3.5% (3.4%)	6.3% (6.1%)	N/A	6.3% (6.1%)
Growth	2.2%	-4.5% (-4.2%)	3.7% (3.3%)	6.6% (6.2%)	3.8% (3.4%)	5.9% (5.8%)
High Growth	-1.6%	-8.5% (-8.2%)	1.8% (1.2%)	6.0% (5.4%)	N/A	6.0% (5.4%)

* Average returns represent a simple arithmetic average of a series of returns generated over a period of time. Compound annual return represents the cumulative effect that a series of gains or losses have on an original amount of capital over a period of time.

Note Past performance is not a reliable predictor of future performance, but long-term historical data can be useful in assessing the relevance of current year returns to your long-term retirement savings goals.



Listed Share Markets

Listed share market returns were mixed during the year with the Australian market under-performing most of the major overseas markets despite the Australian economy being in much better shape. The Australian market returned 8.7% for the year while those of developed economies rose by 12%, excluding any impact from currency movements.

Australian Shares

The year started with strong gains of 21.6% for the September quarter. Since then, shares returned 3.4% in the December quarter, 1.4% in the March quarter and -11.2% in the June quarter to finish the year with an overall return of 7.3%, 37% lower than the high-point in November 2007.

Some of MilitarySuper's Australian share managers under performed against the market's broad index, although a number were chosen for their ability to preserve capital in the event the market fell. This strategy proved to be effective in the June 2010 quarter. This cautious approach has also been effective over the three-year period to 30 June 2010, where MilitarySuper's fund managers returned -4.3% compared to the broader market's return of -8.1%.

International Shares

Overseas shares (unhedged) rose by 5.2% over the year. Particular results included the US market returning 12.1%, the UK market 15.7% and the Japanese market a disappointing -5.8%. These results were also affected by the movement in the Australian dollar which detracted from overall performance. Once this currency effect was removed, global markets rose by a healthy 11.5%, even after recording -11.2% in the June quarter.

As with our Australian share managers, MilitarySuper selects international share fund managers whose focus is largely on protecting the portfolio in falling markets.

MilitarySuper's international shares sector (hedged) returned 2.25% for 2009-10.

Property

MilitarySuper's property portfolio was particularly affected in 2009-10 by further write-offs and write-downs of assets as continuing development and financing risks affected this sector. Overall, MilitarySuper's property investments returned -38.4% for the year.

The Board began a review of its investment strategy for property and it is expected that there will be more focus on core or conservative property investments that aim to deliver predictable and sustainable rental income as well as capital appreciation.



Debt

Investments in debt market opportunities include investing in government and corporate bonds and fixed interest securities. During the year the Board reduced its investments in this sector preferring the relative security of short-duration term deposits. This sector returned 4.1% compared to the bank bill index of 3.9%.

Cash

MilitarySuper holds cash investments largely in at-call accounts, bank bills and short-duration term deposits. For the year, MilitarySuper's cash return was 4.0%.

Alternative Investments

Alternative investments generally refer to assets that are not traded on public markets. They are an important part of MilitarySuper's long-term investment strategy. We expect that when combined with listed assets, a higher rate of return can be earned than just having traditional asset classes over the long term. MilitarySuper's alternative investment program generally consists of the following sectors.

Infrastructure

Infrastructure includes utilities and essential assets that serve the community's developmental and operational needs. Infrastructure assets include power generation and distribution facilities, water and sewer systems, rail, airports, toll roads, bridges and tunnels. Investments can be in developing new assets for capital gains or in owning existing assets that generate strong, stable cash flows.

Investments in widely spread global assets failed to perform as expected, largely due to the testing economic environment in the US, UK and Europe. Overall, MilitarySuper's infrastructure investments returned 5.5% for the year.

MilitarySuper believes including infrastructure in a well diversified portfolio offers good potential for capital gain and income which is not correlated to listed investments such as shares. The Board continues to explore potential investments in this area, but access to good quality assets at attractive prices can prove difficult.

Private Equity

MilitarySuper's private equity portfolio returned 5.2% in 2009–10.

Private equity involves acquiring an ownership interest in a company or enterprise whose shares are not listed. Typically, such private companies are small to medium enterprises with proven track records and good earning and growth prospects.

In the early years, returns tend to be negative or minimal as companies need to reinvest earnings to grow. As they mature, they usually become cash flow positive and increase in value. The typical duration of a private equity investment is 8 to 12 years. The recent macro-economic environment has meant that opportunities for realising private equity investments have been limited.

For 2009–10, returns from private equity investments were not strong. More recently, sales of Australian private equity companies and increased merger and acquisition activity have signalled an improved outlook.

Uncorrelated Alpha

Similar to private equity, this involves investments in assets whose performance is generally not aligned (or 'uncorrelated') to the performance of more traditional asset classes. Unlike private equity, uncorrelated alpha investments typically generate a more consistent return profile, although with slightly lower expected returns over the long run.

MilitarySuper's uncorrelated alpha investments returned 9.9% for 2009–10.

Alternative Debt

This includes investments in credit opportunities such as distressed and special situations debt and provision of debt to smaller organisations that have strong balance sheets but require credit for expansion or to meet short-term requirements.

Alternative debt investments are expected to generate steady returns higher than traditional debt securities, such as government and corporate debt.

MilitarySuper's fund managers in this sector provided a mixed result for the year, with an overall return of 10.0%.



Crediting Investment Returns to your Member Account – Unit Prices

Contributions and transfers to MilitarySuper from other superannuation funds while Members are employed with the ADF are used to purchase units in the investment option Members have selected. The number of units purchased by Members' contributions or transfers depends on the unit price at the time. Units are redeemed when amounts are needed to make benefit payments.

Unit prices are calculated daily and fluctuate according to the investment performance of the investment option. The value of a Member's account at any time is the number of units a Member holds in the Fund, multiplied by the unit price of those units at the time.

The latest Annual Member Statements show how many units the Member has, the unit prices and value of units at 30 June 2010. Note that as a Preserved Benefit Member, the unfunded Employer Benefit is updated by CPI, as shown in your statement.

The opening and closing unit prices for each of the MilitarySuper investment options for 2009–10 are shown below.

These unit prices are net of investment management fees and tax on investment earnings, as applicable. The most current unit prices are on the MilitarySuper website.

Performance information in this report is current at the time of its preparation. You can obtain updated performance information by calling **1300 006 727**. Performance is also reported in the Mid-Year Member Updates.

Unit prices are struck every day, based on the market value of listed investments at the previous day's close of trading and, for unlisted investments, on best available valuation data. Unlisted investments, by their nature, are illiquid and their values are based on periodic independent valuations or as a result of a sales event. Provisions are made daily for taxes, fees and expenses on the income derived from those investments.

At the end of a financial year Fund performance is calculated using hard close unit prices (unit prices that include updated valuations of unlisted fund investments) which are only available after 30 June. Given this timing difference, the unit price for each investment option declared at 30 June may vary from the investment performance of that option subsequently determined using audited accounting and taxation information.

Unit prices at 30 June 2010

Investment Option	Unit Price at 30 June 2009	Unit Price at 30 June 2010	Percentage Change YTD
Cash	\$1.348084	\$1.396660	+3.6033%
Conservative	\$1.378598	\$1.380573	+0.1432%
Balanced	\$1.501694	\$1.510086	+0.5588%
Growth	\$1.462881	\$1.490661	+1.8989%
High Growth	\$1.463625	\$1.437878	-1.7591%

Investment Managers

Appointed by MilitarySuper to Invest Your Super at 30 June 2010

MilitarySuper invests your money with investment managers who specialise in particular types of investments, such as shares and property. The Board and its investment advisers monitor the investment performance of each investment manager closely throughout the year against the benchmarks set with the manager.

Details of the Fund's asset allocation to these managers as at 30 June 2010 are shown in the following table.

Asset Class	Investment Managers ¹	Investment \$m	% of Fund
Australian Shares			
	Acorn Aust Small Co Trust	20.05	
	Agora Absolute Return Fund	142.94	
	BlackRock Wholesale Index Aust Equity ³	274.95	
	Goldman Sachs JBWere Premium Equity Strategy	88.78	
	Hyperion High Conviction	153.62	
	Herschel Concentrated Fund	131.37	
	K2 Absolute Return Fund	152.28	
	Aust Equities Cash Holding Account	18.63	
	Australian Shares Total	982.62	31.24%
International Shares			
	LSV International Concentrated Value Fund	97.79	
	Old Square Capital	25.32	
	Pengana Global Volatility Fund	17.96	
	SSGA International Equities Index Trust	62.58	
	Turner Long Short Equity Fund	81.03	
	Wentworth Hauser Violich	82.77	
	International Shares Total	367.45	11.68%
Uncorrelated Alpha			
	Deutsche Leveraged Note – Mazuma Greenwich	3.93	
	Mazuma Partners II	19.31	
	Mazuma Structured Note	19.51	
	Rabobank / Van Hedge Linked Note	13.10	
	Schroder Real Return Fund	76.33	
	Uncorrelated Alpha Total	132.18	4.20%

Asset Class	Investment Managers ¹	Investment \$m	% of Fund
Property			
	Australian Wholesale Property Fund	11.89	
	Australian Wholesale Property Fund Unitholder Loan	23.00	
	APN Development Fund 1	18.65	
	Ashington Property Fund	0.57	
	Ashington Development Fund No 2	0.00	
	Babcock Brown Alliance Joint Venture	0.00	
	Cerberus Institutional Real Estate Fund	6.87	
	Charter Hall Opportunities 4	3.02	
	Domaine Property Fund	26.00	
	Doughty Hanson Real Estate	3.15	
	Fiduciary Int Real Estate Fund	4.66	
	Gresham Property Fund 3	24.57	
	High Street Real Estate Fund III	13.55	
	ICA Property 4	0.86	
	Property Total	136.79	4.35%
Infrastructure			
	ANZ IS Energy	90.17	
	CFS Infrastructure (Brisbane Airport)	33.47	
	Macquarie Global Infrastructure Fund 1	0.14	
	Macquarie Global Infrastructure Fund 2B	39.28	
	Macquarie Global Infrastructure Fund III	27.40	
	Saltbush Parking Services	9.20	
	SCM Global Energy & Infrastructure	38.67	
	TCW CDX Acquisition	0.00	
	US Power Fund II	20.42	
	Infrastructure Total	258.75	8.23%
Private Equity			
	Archer Capital Fund 3	6.33	
	Champ Buyout II Trust	29.11	
	Champ Buyout III Trust	4.21	
	Champ Ventures Investments 5	2.76	
	Champ Ventures Investments 6	9.51	
	Citic Capital China Mezzanine Fund	43.35	
	Credit Suisse First Boston	4.30	

Asset Class	Investment Managers ¹	Investment \$m	% of Fund
Private Equity (continued)			
	Crescent Capital Partners II	2.92	
	Crescent Capital Partners III	16.26	
	Deutsche Private Equity Fund	1.20	
	DIF Global Coinvestment Fund III	0.00	
	Direct Investment Fund Equity Trust	2.60	
	Dover Street VII	5.61	
	GBS Bioventures III	10.51	
	Gresham Private Equity Fund 2	20.00	
	HarbourVest IV	18.49	
	HarbourVest V	31.76	
	HarbourVest VII Buyout	21.32	
	HarbourVest VII Venture	15.56	
	KKR 2006 Fund	43.80	
	NBC Private Equity Fund II	5.66	
	North Asia Strategic Holdings	43.31	
	Northgate Private Equity Part II	23.89	
	Northgate Venture Partners III	10.22	
	Pacific Equity Partners Fund 2	11.12	
	Pacific Equity Partners Fund 3	39.68	
	Pacific Equity Partners Fund 4	7.54	
	Pantheon Europe III Partnership	3.64	
	Pantheon Global Secondaries Fund II	7.97	
	Pantheon Global Secondaries Fund III	18.48	
	Pantheon USA Fund IV	2.62	
	Pomona Capital VII Fund	5.77	
	Propel Private Equity Fund II	6.67	
	Rosemont Cadence LLC	5.92	
	Rosemont Partners II	7.21	
	Sentient Global Resources 1	6.33	
	Siguler Guff Bric Opportunities Fund	26.28	
	Siguler Guff Small Buyout Opportunities Fund	11.96	
	Terra Firma Cap Partners III	4.14	
	Thomas Weisel India Opportunities Fund	9.77	
	YBR Feeder Limited Partnership	0.00	
	Private Equity Total	547.78	17.41%



Asset Class	Investment Managers ¹	Investment \$m	% of Fund
Cash			
	NAB – Cash and Cash Holding Accounts	115.04	
	NAB – Treasury Fund ³	175.00	
	Cash Total	290.04	9.22%
Debt²			
	BT Institutional Managed Cash Fund	129.00	
	Aberdeen Cash Management Fund	134.74	
	Debt Total	263.74	8.38%
Alternative Debt²			
	Allco Aviation Fund	93.96	
	BCA Mezzanine Debt Trust	18.05	
	Harbourvest VII Mezzanine Fund	18.18	
	Siguler Guff MSA Opportunities Fund	10.21	
	Siguler Guff Distressed Opportunities Fund	23.27	
	TCW SHOP 5	25.14	
	YBR Debt Facility	10.15	
	Alternative Debt Total	198.96	6.32%
Currency			
	Pareto Partners Currency Hedge	-32.34	
	Currency Total	-32.34	-1.03%
TOTAL ASSETS		3,145.97	100.00%

¹ An organisation that specialises in the investment of investments which may be by the way of individual portfolio or as a pool of investments.

² Debt and Alternative Debt make up the 'Debt Instruments' classification described in the Fund's financial statements.

³ The holding with this manager exceeded 5% of the total Fund.



Financial Statements

This is a summary of MilitarySuper's audited accounts for the year ended 30 June 2010. You can request a copy of the full audited accounts by contacting the MilitarySuper on **1300 006 727** from October 2010.

	2008-09 \$m	2009-10 \$m
Opening Value of the Scheme*	2,935	2,811
Plus Income		
Contributions	536	613
Gross Earning of the Scheme	(444)	78
Other Income	0	0
Less Outgoings		
Benefits Paid and Payable	234	243
Tax Expense/(Benefit)	(20)	28
Expenses and Charges	2	3
Closing Value of the Scheme	2,811	3,228

	2008-09 \$m	2009-10 \$m
Investments		
Assets Under Management		
Cash and Short Term Deposits	174	290
Debt Instruments	675	463
Property	141	137
Australian Shares	535	982
International Shares	309	367
Private Equity	516	548
Infrastructure	267	259
Uncorrelated Alpha	74	132
Currency	52	(32)
Total Investments	2,743	3,146
+/- MilitarySuper Net Assets/(Liabilities)**	68	82
Net Assets of Scheme***	2,811	3,228

* Net Assets of the Scheme as per audited Financial Statements.

** MilitarySuper Net Assets/(Liabilities) represents benefits payable, tax provisions and cash at bank.

*** The Value of the Scheme represents the investments of the Scheme. The Net Assets of the Scheme shows the amount available to pay Members' benefits at 30 June after allowing for tax, cash at bank and benefits payable to former Contributing Members.



Management and Business Overview

Taxes, Fees and Charges

You should refer to the Product Disclosure Statement for full details of fees that apply to your MilitarySuper benefits. You can also request a copy by calling **1300 006 727**.

The Fund's net income, after tax and operational expenses, is available for distribution to Members and is reflected in daily unit prices.

Charges against the Fund include fees paid to investment managers. These vary according to the asset class, each manager's investment style and the amount under management. Fees have been deducted from the rates of return stated in Investment Performance 2009–10 (see page 16).

The Management Expense Ratio (MER) reflects the ratio of direct and indirect management expenses as a proportion of the Fund's total assets. The MER for each investment strategy is updated regularly on the MilitarySuper website. Further information about charges associated with management and investment of the Fund can be obtained from:

The Secretary
MilitarySuper Board of Trustees
GPO Box 636
Canberra ACT 2601

You do not pay administrative fees or any transaction costs in relation to your membership. The cost of MilitarySuper's administration is met by the Department of Defence. These fees are not charged against the Fund and do not affect the Fund's returns.

Your Annual Member Statement provides an approximation of your share of investment management expenses (described as other management expenses) deducted from the net asset value of the Fund before unit prices are declared. Other management expenses must be disclosed on your Annual Member Statement using the Indirect Cost Ratio (ICR) methodology. The ICR differs from the MER in that the ICR is based on audited financial data for the 12 months ending 30 June each year.

The following deductions may apply to your Benefits in MilitarySuper:

- Superannuation contributions tax of 15% is deducted from any salary sacrifice contributions made on your behalf to MilitarySuper, while you were a MilitarySuper Contributing Member, prior to those contributions being credited to your Member account.
- Surcharge tax of up to 12.5% may also apply for any contributions made before 1 July 2005 if you were a high income earner or had not provided your tax file number to MilitarySuper when those contributions were paid. The surcharge tax has been abolished for all contributions made on or after 1 July 2005.

Fees for Family Law Information

A fee of \$150 is payable for preparing a response for superannuation information made in accordance with Family Law. More information can be found in the *Family Law and Splitting Super* booklet. Download a copy from our website or call MilitarySuper on **1300 006 727** for a copy.

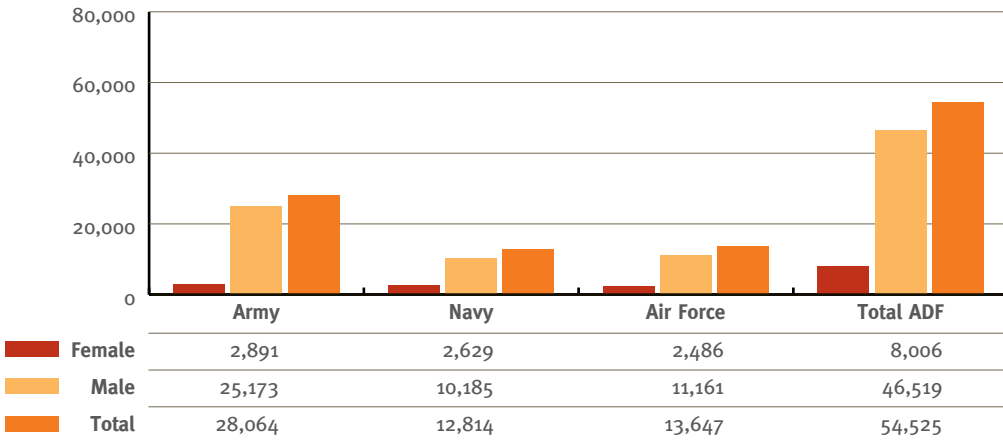
You will be advised of any new or increased fees or charges before they are introduced.



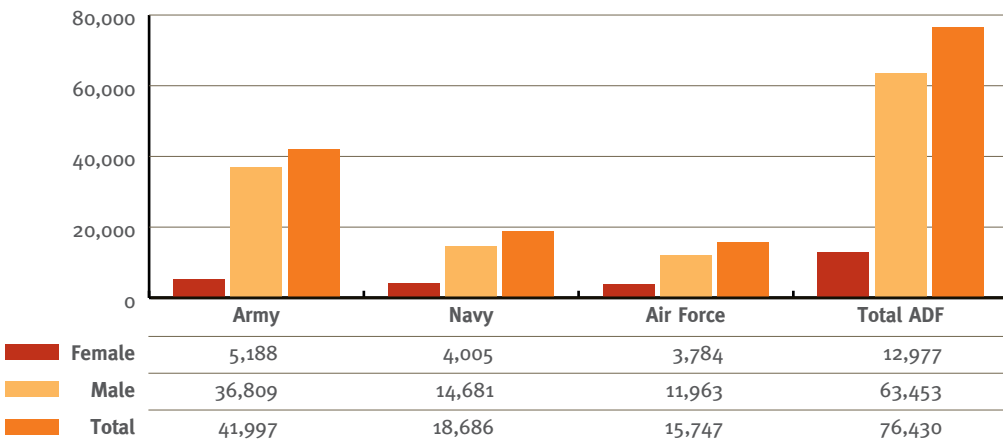
Membership of MilitarySuper

During the year, the number of MilitarySuper Members grew to 138,639, with 54,525 Contributing Members, 76,430 Preserved Benefit Members and 7,684 Pensioners.

Contributing Members at 30 June 2010



Preserved Benefit Members at 30 June 2010



MilitarySuper's Key Service Providers

The Board appoints a number of service providers and advisers to assist it in running MilitarySuper and to ensure that the Scheme continues to operate correctly and efficiently. In 2009–10 the Board's key service providers were:

- Scheme Administrator** ComSuper
- Custodian** National Asset Services
- Investment Adviser** Strategic Capital Management
- Internal Auditor and Taxation Adviser** PricewaterhouseCoopers
- External Auditors** Australian National Audit Office and Deloitte

More Information about MilitarySuper Benefits

It's all in the MilitarySuper Book which is part of MilitarySuper's Product Disclosure Statement (PDS). You can download a copy from our website, www.militarysuper.gov.au or call MilitarySuper on **1300 006 727** to receive a copy.

Tax on Your Benefit

The amount of tax which you will be required to pay when you claim your benefit depends on your age and whether or not your benefit is from a taxed or an untaxed source.

The PDS describes the taxation status of the various components of your benefit.

Fund Compliance

To receive concessional tax treatment, MilitarySuper must operate in line with superannuation law. The Board lodges a return each year with the Australian Prudential Regulation Authority (APRA) indicating the Scheme's compliance with the law. At 30 June 2010, the Board was not aware of any matter which would cause the Scheme to lose its compliant status.



Privacy, Enquiries and Complaints Resolution

Complaints Resolution

If you are unhappy with the service you receive from MilitarySuper or the Scheme Administrator (ComSuper), or you wish to comment or raise a concern, we would like to know. Enquiries and complaints should be directed to:

Post The Complaints Officer
ComSuper
PO Box 22
Belconnen ACT 2616
Phone **1300 033 732**

If you are not satisfied with the handling of your complaint, you can contact the Superannuation Complaints Tribunal (SCT), except in relation to privacy-related matters. The SCT is an independent arbitrator set up by the Australian Government to assist in resolving Members' complaints. You can lodge a complaint with the SCT if you are dissatisfied with ComSuper's response or we cannot resolve your complaint within 90 days. The SCT can be contacted by:

Phone **1300 884 114**
Fax 03 8635 5588
Post Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001
Email **info@sct.gov.au**
Web **www.sct.gov.au**

If you are dissatisfied with a decision of the Board or one of the Board's delegates you can request reconsideration. You must do so within 30 days of advice of the decision. You must support your request with new evidence. For privacy-related matters, the Federal Privacy Commissioner may review your complaint. You can contact the Privacy Commissioner on **1300 363 992**.

About Your Privacy

MilitarySuper is committed to protecting your privacy and personal information and ensuring that it is not disclosed to another party without your consent, or unless required by law. Any personal information collected by MilitarySuper is used for the sole purpose of maintaining, managing and administering your account with us and

communicating with you. MilitarySuper abides by Privacy Law and has a Privacy Policy that sets out in more detail the way in which your personal information is handled.

Our Privacy Policy can be viewed on our website, **www.militarysuper.gov.au** or by phoning MilitarySuper on **1300 006 727** to receive a copy.

Don't Become a Lost Member

Please remember to tell us of any changes to your postal address so we can keep in touch.

You can change your contact details by:

- Advising us by phone on **1300 006 727**.
- Completing a **Member Contact Details** form (MAAN2), which can be downloaded from our website.
- Emailing us at **members@enq.militarysuper.gov.au**

Receive Your Annual Member Statement Online

You can sign up to receive future Annual Member Statements online.

Benefits of online statement delivery include:

- it's more convenient for you
- greater delivery security
- receive your statement earlier
- you can access your statement any time
- all your information is conveniently available in one secure place.

To receive your Member Statement online:

1. Go to **www.militarysuper.gov.au**
2. Log into **Member Services Online** using your Access Number
3. Follow the links to sign up and receive your updates online.

If you have not previously used **Member Services Online**, simply call MilitarySuper on **1300 006 727** to receive your Access Number.





For up-to-date information about MilitarySuper and to check your benefits online visit www.militarysuper.gov.au

Contact MilitarySuper

Phone 1300 006 727
(For overseas callers: +61 2 6272 9000)

Fax 02 6272 9617

Web www.militarysuper.gov.au
www.militarysuper.gov.au/annualreports

Email members@enq.militarysuper.gov.au

If you have a general enquiry or wish to send us a form or other information, please write to us at:

MilitarySuper
PO Box 22
Belconnen ACT 2616

To contact the Board, write to:

The Secretary
MilitarySuper Board of Trustees
GPO Box 636
Canberra ACT 2601