



retirement benefits fund
news

September 2008

Get involved...

Is this the year
you'll get involved
with your super?

Now is the right time to get involved with your super.

Following the recent investment market weakness, our investment managers will be looking for quality investments currently priced below their long-term value. Most super funds invest in shares and have been affected by the falling share prices.

This year we think you'll want information to understand what's happening with your accounts.

See inside for information about how RBF is looking after you and what you can do to improve your super.

At RBF, we make it easy for you to get involved.



from the CEO



Pleasing investment outcomes

It is pleasing to report that our default RBF Actively Managed, has continued to outperform its benchmark. Detailed information about short, medium and long-term investment returns is included in this newsletter.

RBF's default option also performed well ahead of our long-term portfolio design, notwithstanding the extreme weakness of share markets over the past 11 months. Share market investments make up a large part of most super fund portfolios.

It seems that only the August Beijing Olympic games kept economic events from the news headlines in recent months. It was wonderful to see the inspiring performances by so many Tasmanian athletes. They provide a wonderful example for investors during these volatile times. To perform at their best, our athletes need to choose a good training strategy and stick with it. Likewise, members need to stick with their investment strategy now to achieve their long-term goals.

Like you, we look forward to the market recovery and more settled times. Until we reach that time, RBF staff are available statewide to discuss your investment options and provide you with sufficient information to decide on your optimal investment savings strategy.

RBF's new 5-year Strategic Plan

Over the past 11 months, the RBF Board and management team have developed a new five-year Strategic Plan to ensure that RBF meets the needs of its members and stakeholders. The Plan has an emphasis on improving service value, encouraging business growth and improving cost outcomes so that we remain competitive.

RBF will bolster services to members and relationship management with employers.

One of the key initiatives follows a significant review of RBF's administration services, in association with KPMG, which has recommended consideration of outsourcing our administration platform and processes. It will take 12 months to validate any outsource option and if we proceed, at least another 12 months to implement the changes.

We anticipate a reduction of some 35 staff from our current establishment of 170 in the implementation period 2010-11. There will be no job losses until the second half of 2010.

Fully implemented, the Strategic Plan will ensure all stakeholders are provided with competitive superannuation services.

The Plan supports RBF's vision to be the leading provider of superannuation services to the Tasmanian public sector.

Simon Gillies

Good news in hard times

RBF is pleased to announce that our default investment option, RBF Actively Managed, has continued to outperform its benchmark.

Over the short-term, RBF Actively Managed outperformed the median for other similar balanced funds across the industry. Our crediting rate of minus 6.4% for the year to 30 June 2008 was significantly better than the median minus 7.5% achieved by similar funds according to figures released by SuperRatings.

We should always remember, super is a long term investment.

Over the long-term, RBF remains confident that our investment strategy will continue to protect members from as much volatility as possible while maintaining a strong long-term investment focus.

Naturally, as a defined benefit scheme, members in the RBF Contributory Scheme are not affected by investment markets as their benefit is calculated using a formula.

**8.8% each year for
the past five years**

RBF has achieved steady growth of 8.8% each year on average for the past 5 years for RBF Investment Account holders using the RBF Actively Managed option. The long-term investment return remains strong and is above our long-term performance objective of CPI plus 4% pa for this option. This result is particularly pleasing given the extreme weakness of share markets over the past 11 months. Investments in the share market make up a large part of most superfund portfolios.

**"Once onto a good story, be prepared to hold it" says Ken Marshman, JANA Investment Advisors' Head of Investment Outcomes.
"While a week is a long time in politics, five years is a short time for the successful investor."**

Better informed

Is super still a good investment?

Markets have always recovered from downturns and gone on to reach even higher peaks.

“Once onto a good story, be prepared to hold it” says Ken Marshman, JANA Investment Advisors’ Head of Investment Outcomes. “While a week is a long time in politics, five years is a short time for the successful investor.”

Pauline Vamos, CEO of Association of Superannuation funds of Australia (ASFA) says it’s important for people not to panic. Senator Nick Sherry and other industry experts have repeatedly encouraged Australians to stick with their plan. Now is not the time for a kneejerk reaction.

When will share markets return to normal?

Those who are more familiar with their super know that market fluctuations are normal. No one likes them. But they’re a normal part of the investment cycle.

It is interesting to note that the asset classes that are now considered to be underperforming in the short-term are the same asset classes that provided investors with stellar returns over recent years.

Why not just put my money in a bank account?

Bank interest rates may look good right now, but what will they be in 2 years? Was it good 2 years ago? RBF’s Cash investment option has returned an average of 4.78% each year for the past 5 years. The RBF Actively Managed option has experienced more volatility but returned an average of 8.76% each year for the past five years. (RBF Investment Account investment returns.)

Super is about saving for the 30 years or more you may be in retirement. Accumulating enough money to live on for 30+ years doesn’t happen quickly. Superannuation is a long-term plan.

Should I stop contributing while markets are low?

No. Ever bought a great bargain when it was on sale? Despite the high quality of some investments, their price has dropped along with the rest of the market. Quality investments will rebound quickly and our investment managers are constantly looking for those opportunities. History proves that the best time to invest is when asset values are down.



Four tips for judging investment performance

RBF is a super fund that returns all profit to members, has disciplined, professional management and is able to keep fees low because we don’t pay commissions.

It’s important not to lose sight of your long-term objective – whether returns are exceptionally high or low. Past performance is not an indicator of future performance.

1. Look for a reasonable performance

It’s a waste of time trying to pick next year’s top performer.

2. Judge performance over at least 5 years

Super is a long-term investment, and short-term figures, such as the last 12 months or less, are all but useless.

3. Compare like with like

If a fund has 70–80% of its money in shares and property, compare it only with other similar funds, not funds with 60–70% of their money in cash and fixed interest. Higher fees do not guarantee you higher returns.

4. Try to use the same start and finish dates for each fund

Five-year performance from June to June will differ from January to January.

Source: Australian Securities & Investments Commission FIDO website

Should I change my investment options?

Some people will want to change their investment options on the strength of the short-term returns. By switching investment options or withdrawing their money they will lock in the lower price. And once out of the investment, they won’t benefit when the value of the option rises again.

I am about to retire. Do I have enough to retire on?

Contact RBF if you are ever concerned about your benefit. We will discuss your concerns and provide information about your options so you can make an informed decision about your future.

Super performance

A super fund's investment performance typically varies over time. Because super is a long-term investment, long-term figures smooth out short-term results. For example, RBF Actively Managed returned minus 6.44% over one year for RBF Investment Account holders. However, the positive returns for the previous 4 years resulted in a return averaging 8.76% each year for the past 5 years being paid to members.

The tables below show RBF's 1, 3 and 5 year compound average returns to 30 June 2008. As none of the investment options have been available for 10 years, we are unable to provide returns over that period. Past performance is not a reliable predictor of future performance, but longer-term historical data should be a more useful guide to members in assessing the relevance of current year returns to their retirement savings goals.

RBF calculates the weekly crediting rates as follows:

- Step 1 - Gross crediting rate
- Step 2 - Less investment management fees
- Step 3 - Less income tax expense
- Step 4 - Equals the crediting rate (after investment fees and tax)

Prior to 1 July 2006 the crediting rates did not include tax, investment management and administration fees. From 1 July 2006 the administration fee is deducted directly from your accounts after the crediting rate has been applied to the account.

These rates only apply to money invested in the relevant accounts and options for the whole period. The effective rate you have earned may be different depending upon when you joined the fund, the timing of any contributions, withdrawals and investment switches.

Crediting Rates to 30 June 2008

	RBF Investment Account			RBF-TAS SG Account			RBF Allocated Pension Account			RBF Term Allocated Pension Account		
	1 yr %	3 yrs % pa	5 yrs % pa	1 yr %	3 yrs % pa	5 yrs % pa	1 yr %	3 yrs % pa	5 yrs % pa	1 yr %	3 yrs % pa	5 yrs % pa
Diversified options:												
RBF Actively Managed	-6.44	6.75	8.76	-6.44	6.63	8.55	-6.68	7.38	9.59	-6.68	7.38	N/A
RBF Long Term Growth	-10.22	7.17	10.22	-10.22	7.05	9.99	-10.76	7.65	10.75	-10.76	7.65	N/A
RBF Diversified Growth	-7.24	6.12	8.43	-7.24	6.01	8.21	-7.88	6.64	9.19	-7.88	6.64	N/A
RBF Conservative Growth	-0.36	5.07	5.86	-0.36	4.96	5.65	-0.41	5.66	6.62	-0.41	5.66	N/A
RBF Socially Responsible Investments	-7.15	5.90	7.89	-7.15	5.79	7.68	-7.74	6.30	8.52	-7.74	6.30	N/A
Asset class options:												
RBF Australian Shares	-15.25	8.18	13.24	-15.25	8.07	13.00	-15.73	8.57	13.83	-15.73	8.57	N/A
RBF International Shares	-18.18	2.03	4.33	-18.18	1.93	4.13	-20.06	2.12	4.63	-20.06	2.12	N/A
RBF Property & Alternative Investments	10.17	11.21	10.90	10.17	11.09	10.67	11.03	12.09	11.58	11.03	12.09	N/A
RBF Fixed Interest	4.73	3.98	4.27	4.73	3.87	4.07	5.59	4.56	4.85	5.59	4.56	N/A
RBF Cash	6.22	5.30	4.78	6.22	5.19	4.58	7.35	6.19	5.51	7.35	6.19	N/A
Manager specific options:												
State Street Balanced Index	-11.31	4.58	7.44	-11.31	4.46	7.23	-12.33	4.97	8.12	-12.33	4.97	N/A
State Street Australian Shares Index	-13.92	9.53	14.15	-13.92	9.41	13.92	-14.68	9.92	14.76	-14.68	9.92	N/A
Maple-Brown Abbott Balanced	-9.42	6.75	N/A	-9.42	4.66	N/A	-10.29	5.18	N/A	-10.29	5.18	N/A
Maple-Brown Abbott Australian Shares	-13.73	8.02	13.03	-13.73	7.90	12.80	-14.48	8.34	13.57	-14.48	8.34	N/A

Crediting rates to 30 June 2008 – defined benefit schemes

	1 yr %	3 yrs % pa	5 yrs % pa
Net return (after investment fees & tax)			
RBF Contributory Scheme	-3.7	7.9	9.8
Parliamentary Superannuation Fund	-5.2	7.2	9.4
Parliamentary Retiring Benefits Fund	-5.2	7.2	9.4
State Fire Commission Superannuation Scheme	-5.2	2.8	N/A
Tasmanian Ambulance Service Superannuation Scheme	-5.2	2.8	N/A
Objectives: CPI + 4.5% pa	9.0	8.0	7.6



Moving into the **electronic age**

At last – news we’ve been waiting for!

We are pleased to tell you that this year’s annual report to members will be available electronically. If you want a printed copy, that’s ok too.

In June this year the Australian Securities & Investments Commission (ASIC) announced that super funds could provide their Member Report online provided certain conditions are met.

Once released, RBF’s Member Report will be loaded on our website www.rbf.com.au. We will let members know when it becomes available. The last 3 years’ Member Reports and Annual Reports are

already available on the public area of the RBF website along with forms, fact sheets and our regular member newsletters.

If you’d prefer to receive a printed copy we’re happy to send you one. Simply return the Member Report Request form in the reply paid envelope included with your statement. Your report will be mailed to you later this year.



Get **involved**

We’re involved. Your employer’s involved. We want you to be involved.

It’s easy. Use this checklist to start...

Get involved	RBF will help you
Contribute to your super No matter how small, the earlier you start, the more you’ll have at retirement.	Contribution forms are available on RBF’s website or by calling RBF.
Choose your best contribution method If you earn more than \$34,000 consider Salary Sacrifice. Otherwise, you may be better off making personal contributions.	Use the RBF website calculators to find out how much extra you could contribute by using Salary Sacrifice. Talk to RBF’s superannuation consultants if you’re unsure.
Collect the freebies Make sure you pick up all you can from Super Co-contributions.	If your assessable income is less than \$60,342 for 2008–09, personal contributions may earn you a Super Co-contribution payment. Eligibility criteria are on RBF’s website or available by calling RBF.
Have a plan Set savings goals that you can reach and implement plans to reach those goals.	You’ll need to talk with our superannuation consultants. Then you can decide on a savings plan that suits your budget and your needs.
Choose the right investments for you Choose investment options that suit your risk profile.	Information about RBF’s 14 investment options is available on RBF’s website. Different options can be used to help grow your super.
Rollover other super to RBF Keep track of your super by keeping all your accounts together. Save on fees.	Rollover forms are available from RBF’s website or on request by phoning RBF.
Have a happy retirement.	Get involved now with RBF.

Even if you’ve never contacted us before, do it now.

Call RBF on 1800 622 631 – you’ll be surprised how easy it is. Simply ask for a super checkup. We’ll take it from there.

Message for retirees

If you wish to withdraw money from your super account, we need to verify your identity. If you have already provided sufficient evidence, there is no need for you to do so again.

Avoid delays. Make sure RBF has a certified copy of documents to verify your identity.

With recent changes to Federal legislation, members need to verify their identity before making certain transactions with banks, super funds and other financial services companies.

For most, it's as simple as showing us your driver's licence.

If you're sending us a copy, make sure you visit a post office and get the copy certified. More certification options are listed on the RBF website.

The new laws mean we can no longer accept photocopies without certification. Give us a call or visit our website if you need more information.

What's new in super?

The Federal government has recently been discussing the need to increase mandatory contributions from 9% and are discussing a 12% figure. It is widely recognised that more is needed to adequately save for retirement. We expect to hear more early in 2009 after the current tax review has been completed.

Legislation is currently being prepared to provide equal access to tax benefits and super entitlements for same sex couples. RBF already provides equal access for married, de facto and same sex partners where the law allows.

Women's super has long been recognised as being lower than most men, as women generally occupy lower paid jobs and often have career interruptions to raise a family. The government have released an industry discussion paper examining possible tax relief options for specific groups of women.

We'll monitor Government policy and continue to keep you informed.

Keep RBF informed

If you change your address, please give us a call or let us know by emailing super@rbf.com.au. If you change your name we will need evidence such as a certified copy of your marriage certificate or similar.

Disclaimer The information contained in this newsletter is of a general nature only. It was current at the time of publication but is subject to change without notice. It is not intended to be and should not be relied on as a substitute for legal, financial or other professional advice. Readers should carefully assess how appropriate the information is to their individual investment objectives, financial situation and particular needs. The Retirement Benefits Fund Board recommends that readers seek professional advice before making investment decisions. Please note that past performance is no indication of future investment performance. This newsletter was designed and printed in Tasmania in September 2008.

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Working together for members

Assistant Commissioner Phil Wilkinson accepts a copy of the new RBF brochure from RBF's Relationship Officer, Phil Claxton.

Tasmania Police and RBF have recently completed a joint venture to develop a new publication specifically for sworn officers nearing retirement. The document outlines various employment options offered by Tasmania Police for officers approaching retirement age. It also includes details about the effect each option has on their super with RBF.

Some employment conditions can affect your super benefits. Check with RBF if you're unsure.

RBF makes it easy

Friendly and professional staff are available to help you make informed decisions and get involved with your super.

RBF is the leading provider of superannuation services for the Tasmanian public sector.

Statewide support for our 75,000 members includes:

- Mobile statewide services
- Personal appointments
- Workplace seminars
- Web access to your account details

contact us

If you would like further information please:

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