

# 2013/14 ANNUAL REPORT

ISSUE DATE – 31 OCTOBER 2014

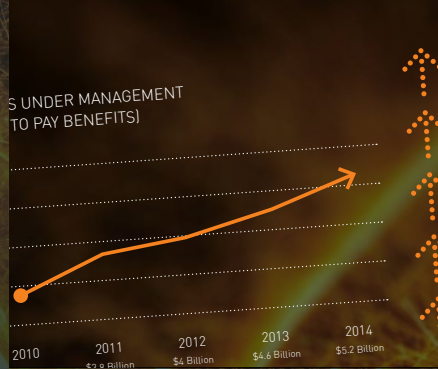




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## OUR MISSION

Partnering with our members to reach their retirement income goals by providing value for money products and services.

## OUR VISION

To be the superannuation fund of choice for energy industry employees.

We believe in simple honest conversations and providing easy-to-read information – **it's just how we're wired.** However, the superannuation industry is governed by legislation and regulations which means that sometimes we have to use technical terms in our communications to comply.

If you're unsure of a term in this report or any of our communications you can look it up in the Association of Superannuation Funds of Australia (ASFA) Dictionary of Superannuation at [superannuation.asn.au/dictionary.aspx](http://superannuation.asn.au/dictionary.aspx) or call us on **1300 4 ENERGY** (1300 436 374).

This annual report is available in print and electronically. To receive a printed copy of this report call **1300 4 ENERGY** (1300 436 374). You can access an electronic copy of this annual report from our website at [energysuper.com.au](http://energysuper.com.au)




SANDRA JONES  
– Adviser Support Specialist



KEEPING YOU  
UP TO DATE.  
IT'S JUST HOW  
WE'RE WIRED.



Throughout this report we give you tips and information including where to go to learn more about your super. Just look for this  symbol.

## JOIN OUR ONLINE COMMUNITY

Connect with us on Facebook and LinkedIn. Access information about our products and services, events, industry news and employment opportunities.



WE'RE PLEASED  
TO PRESENT  
**THE 2013/14  
ENERGY SUPER  
ANNUAL REPORT.**



**Bob Henricks**  
Chairperson



**Robyn Petrou**  
CEO

# WELCOME FROM THE CHAIR & CEO

Here you'll find a summary of our performance, operating environment, challenges, opportunities and how we're continuing to deliver value to our members.

## **ANOTHER YEAR OF STRONG GROWTH**

We've continued to see strong growth, at the end of this financial year we have over \$5.2 billion in funds under management and over 48,000 members. We're proud of our achievements. For the fifth year in a row Energy Super has been awarded the SuperRatings Platinum rating for 'Best Value for Money' fund.

A lot of the growth during the year has come from strong investment performance which has contributed to Energy Super being ranked in the top ten performing funds in their class as measured by SuperRatings\*. **Our Balanced investment option continued to perform strongly returning 13.55% for the year ending 30 June 2014.**

We're encouraged to see that more members are actively engaging and contributing back into superannuation. We attribute this to an increase in confidence and the great work our financial advisers are doing to help our members understand their options, maximise their superannuation and non superannuation benefits and plan for the future. It's important to point out that our advisers provide tailored advice that's in the best interests of our members and product recommendations are never linked to commissions. Our strong governance program means you are assured of advice that meets your needs and no one else's.

As part of our commitment to delivering the right outcomes for you, we've strived to ensure we provide information and educational opportunities so you can take control of your financial future. This knowledge

will help you to navigate through your decision making process and support you to make good decisions. We've reviewed our educational channels to make sure they're relevant and informative and we are continually seeing large numbers of members attending our seminars with excellent feedback. We've also been working with our financial advice team to implement an ongoing review program to ensure we review our advice with you regularly, which is important in times of legislative and economic change. This remains a continued focus.

Again, under the theme of **empowering our members**, we continued our drive to make it more convenient and easier to transact with us. We've simplified access to our services and streamlined processes, introducing more online editable forms and opportunities for members to transact over the phone.

There has been a raft of new legislative and governance requirements over the last few years and there are still more to come. Over the last 12 months we've had to put a lot of our resources into making sure that these requirements are met and will continue to do so. We're happy to report that **we are very well positioned in the new legislative environment.**

One of the challenges we faced this year was rising operating expenses. This was predominantly due to an increase in APRA licence fees and implementation of the new legislative changes. We worked very hard with Treasury to put our viewpoint about the expenses forward on behalf of our members. As a result they are changing the way the fees are calculated and we expect a significant decrease to our members when changes are implemented in 2014/15.

Financial advice referred to in the Annual Report is provided by ESI Financial Services Pty Ltd (ABN 93 101 428 782, AFSL 224952), a wholly owned subsidiary of Energy Super.

\*SR50 relevant investment option superannuation survey ratings provided by SuperRatings Pty Ltd (ABN 95 100 192 283 AFSL 311880). Ratings are only one factor to be considered when making investment decisions. Refer to the 'How do we Compare' page at [energysuper.com.au](http://energysuper.com.au) for more information about the rating and the rating scale.

Investments go up and down. Past performance is not necessarily indicative of future performance.



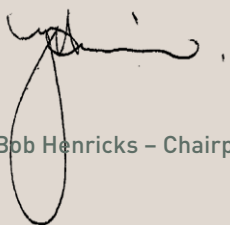
## THE YEAR AHEAD

Over the next financial year we expect returns to be more subdued and we'll be continuing to manage and look for opportunities to maximise our investment performance. We will focus on improving member satisfaction, growth and retention.

We'll continue to look at how we can improve our members' experience by reviewing our product offering, continuing to simplify interactions with us and developing technological solutions. In response to member feedback we'll be reviewing our online system again to address accessibility and availability issues. We've done some work to date **but there's still more to do.** We'll keep you updated on our progress.

On behalf of the Board we would like to thank the Energy Super team who have again risen to the challenge, delivering efficiencies, listening to members and providing feedback to the business.

We would also like to thank you for your support. We welcome your feedback and any questions regarding Energy Super or this report.



Bob Henricks – Chairperson



Robyn Petrou – CEO



AS A 'PROFIT FOR  
MEMBERS' INDUSTRY  
FUND, WE ARE  
COMMITTED TO HELPING  
YOU SECURE YOUR  
FINANCIAL FUTURE.

# FUND UPDATE AS AT 30 JUNE 2014

## MEMBERS

OVER 48,000



## INVESTMENT OPTIONS TOP 10 RANKINGS

Independent superannuation research house SuperRatings found that seven Energy Super superannuation investment options ranked among the top 10 performing of their class for the 2013/14 financial year.\*

ENERGY SUPER INVESTMENT OPTION	NATIONAL RANKING WITHIN OPTION CLASS	PERFORMANCE (YEAR TO 30 JUNE 2014)
Balanced Fund	8th	13.5%
Growth Fund	6th	15.5%
Capital Managed	5th	10.7%
Stable	10th	8.1%
Cash Enhanced	10th	3.1%
Australian Shares	9th	17.2%
International Shares	5th	20.4%
Cash Deposit*	9th	2.8%

\*SR50 relevant investment option superannuation survey ratings provided by SuperRatings Pty Ltd (ABN 95 100 192 283 AFSL 311880). Ratings are only one factor to be considered when making investment decisions. Refer to the 'How Do We Compare' page at [energysuper.com.au](http://energysuper.com.au) for more information about the rating and the rating scale. ^When comparing Energy Super's Cash Deposit option with comparable cash investment options listed in the SR 25/50 Cash Deposit index, its 2.8% return for 2013/14 ranks the Fund's option in ninth position nationally. Past performance is not necessarily indicative of future performance.


## FUNDS UNDER MANAGEMENT

OVER \$5.2B

### 5 YEAR FUNDS UNDER MANAGEMENT (NET ASSETS TO PAY BENEFITS)



TRANSFER FROM  
OTHER FUNDS

UP   
5.7%

MEMBER  
CONTRIBUTIONS

UP   
21%

FUNDS UNDER  
MANAGEMENT

UP   
13%

# ILLION

# OUR CREDENTIALS

Energy Super is an industry super fund. As a member of the Industry SuperFund group, we only operate in the best interest of members with a common goal of providing the best possible retirement outcome for members. Industry SuperFunds have low fees and do not pay commissions to financial advisers.

We're proud of our award winning performance. We've received the highest award possible from these leading ratings agencies.

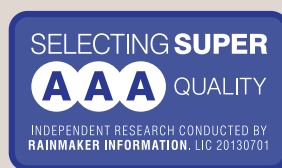
## INDUSTRY SUPERFUND



## SUPERRATINGS<sup>1</sup>



## SELECTING SUPER<sup>2</sup>



AAA Quality Assessment for the Fund in 2014.

Our performance continues to be recognised as among the strongest in the country by ratings agencies Canstar<sup>3</sup> ([canstar.com.au](http://canstar.com.au)), Chant West<sup>4</sup> ([chantwest.com.au](http://chantwest.com.au)) and Morningstar<sup>5</sup> ([morningstar.com.au](http://morningstar.com.au))

Ratings provided by:

1. SuperRatings Pty Ltd (ABN 95 100 192 283, AFSL 311880)
2. Rainmaker Information Ltd (ABN 86 095 610 996)
3. CANSTAR Pty Ltd (ABN 21 053 646 165, AFSL 312804)
4. Chant West Pty Ltd (ABN 75 077 595 316, AFSL 255320)
5. Morningstar Australasia Pty Ltd (ABN 95 090 665 544, AFSL 240892)



Ratings are only one factor to be considered when making investment decisions and you should seek financial advice if you are thinking about making changes to your super. Book an appointment at [energysuper.com.au](http://energysuper.com.au) or call **1300 4 ENERGY** (1300 436 374).

For more information about ratings and the rating scale refer to the 'How do we Compare' page at [energysuper.com.au](http://energysuper.com.au)





**ENERGY SUPER HAS BEEN AWARDED  
SUPERRATINGS<sup>1</sup> PLATINUM RATING  
FOR 'BEST VALUE FOR MONEY' FUND,  
FIVE YEARS IN A ROW.**

# AN UPDATE ON YOUR INVESTMENTS

BOB HENRICKS – CHAIRPERSON, ENERGY SUPER

As your super is invested in a range of domestic and international assets it's important that you are aware of the domestic and international forces that shape our economic landscape. That's why we monitor the markets and keep you informed.

## MARKET UPDATE

Throughout the year, developed economies continued to expand as business investment and personal consumption increased. International economies all grew at levels below trend. This resulted in many global central banks continuing with unconventional monetary policy also known as quantitative easing. Domestically, Australian growth was positive as Australia continued to benefit from high export prices, expanding credit growth and a relatively low unemployment rate. Throughout the year, China's rate of growth declined to lower levels. The Chinese economy is currently in the early stages of transitioning from an economy driven by building and construction to one which relies more heavily on personal consumption. How China manages this transition will directly impact the Australian economy and global capital markets.

Overall Global and Australian markets continued to improve over the year. Equity markets had another strong year as global investors continued to prefer equity markets over other traditional asset classes. The Morgan Stanley All Country World Index (unhedged) rose by roughly +20.10% and the Standard and Poor's ASX 200 Accumulation Index by +17.43%.

Debt markets also saw positive gains throughout the year as developed market sovereign yields continued to decline.

## OUTCOMES FOR THE YEAR

Energy Super's investments performed strongly during the year, generating double-digit rates of return in the Australian and International Shares, Balanced, Capital Managed and Growth options.

Throughout the year a number of large-scale infrastructure and property transactions took place as domestic and international investor appetite for yield remained strong. This has led to a steady decline in the broader capitalisation rates domestically which has in turn increased the valuation of some Commercial Property assets. This has had a net positive effect on the unlisted investments of the Fund. The Fund has also recorded the highest amount of distributions back from its Private Equity managers on record, as a number of investments have been divested into the public markets via initial public offerings, and also into private markets via trade sales.

Throughout the year we made some adjustments to our credit portfolio to mitigate risk, moving out of an overweight position in High Yield investments to an absolute return approach.

As a result of strong asset cash flow and distributions we also increased our relative allocation to Cash in the diversified options.

We also sought to diversify our infrastructure allocation, as we were overweight to domestic airports. As a result of this and taking advantage of buoyant markets we sold down a portion of our allocation to airports.

## MARKET OUTLOOK

We expect returns in the coming year to be more subdued. Continuing geopolitical unrest could weigh on global equity markets coupled with naturally slowing Chinese growth and the possible completion of the Federal Reserve's quantitative easing program.

Throughout the next financial year Australia faces a number of challenges

including the continued transition from the higher employment construction phase of the mining boom to the lower employment production phase. Australia will also continue to face declining terms of trade, placing more pressure on the aggregate economy to increase productivity. These domestic and international dynamics could impact capital market returns and create opportunities as many economies transition.

We will continually review our investment strategy and how we allocate capital so your superannuation is best placed to navigate this changing financial, economic and capital market landscape.



Subscribe to our monthly performance update.

Join us at one of our **Economic Outlook seminars** and hear how current and future world financial markets might impact your retirement savings.

Watch our **quarterly investment performance** presentations.

View **latest investment performance** at [energysuper.com.au](http://energysuper.com.au)



## PERFORMANCE UPDATE

Investment option	Compound returns to 30 June 2014					Annual crediting rates to 30 June				
	3 yrs % pa	5 yrs % pa	10 yr % pa	Since Inception	Inception date	2014	2013	2012	2011	2010
<b>Defined Benefit</b>										
Defined Benefit/ Three Year Average	7.81	4.19	6.44	7.51	1/07/1995	9.36	7.98	6.13	1.33	-3.32
<b>Defined Contribution</b>										
Cash Deposit	3.73	3.76	N/A	3.58	17/12/2008	2.78	3.73	4.70	4.75	2.89
Cash Enhanced	3.60	4.19	4.34	4.30	1/03/2002	3.08	3.49	4.25	5.29	4.85
Stable	7.09	7.79	6.34	5.81	1/02/2000	8.11	8.65	4.57	7.44	10.30
Capital Managed	8.25	9.03	7.06	6.36	1/02/2000	10.72	11.35	2.91	8.55	11.93
Balanced	9.50	9.35	6.91	6.27	1/02/2000	13.55	15.04	0.54	9.17	9.05
MySuper	N/A	N/A	N/A	9.05	01/09/2013	N/A	N/A	N/A	N/A	N/A
SRI Balanced	10.04	8.77	0.00	2.21	24/07/2007	12.87	17.54	0.47	4.66	9.16
Growth	10.57	10.86	7.95	6.77	1/02/2000	15.45	18.18	-0.89	10.43	12.16
Australian Shares	9.98	11.93	9.13	8.41	1/03/2002	17.24	23.41	-8.02	12.32	17.58
International Shares	13.25	11.82	5.41	3.05	1/03/2002	20.39	24.32	-2.93	10.73	8.71
Smoothed Return	7.67	4.02	6.24	6.02	1/07/1999	9.27	7.85	5.95	1.12	-3.55
Capital Guarantee	6.91	4.16	6.21	6.59	1/07/1990	8.50	7.08	5.19	0.34	N/A
<b>Market Linked Pension and Income Stream</b>										
Cash Deposit	4.45	4.47	N/A	4.26	17/12/2008	3.43	4.4	5.56	5.61	3.40
Cash Enhanced	4.09	4.85	5.10	5.06	1/03/2002	3.16	4.12	5.02	6.25	5.73
Stable	8.13	9.20	7.50	6.80	1/02/2000	9.22	10.04	5.21	9.88	11.79
Capital Managed	9.43	10.58	8.28	7.39	1/02/2000	11.95	13.35	3.28	11.08	13.58
Balanced	10.76	10.61	7.93	7.14	1/02/2000	14.84	17.68	0.58	10.37	10.40
SRI Balanced	11.03	9.63	N/A	2.36	24/07/2007	13.74	19.66	0.61	5.11	10.08
Growth	12.10	12.21	9.02	7.38	1/02/2001	17.23	21.44	-1.03	11.21	13.58
Australian Shares	11.66	12.98	N/A	10.94	1/03/2005	20.20	25.64	-7.79	11.96	18.12
International Shares	14.37	12.82	N/A	6.23	1/03/2005	21.06	27.82	-3.28	11.45	9.62

Past performance is not indicative of future performance.

## NET EFFECTIVE EARNING RATE (%)\*

Year	Defined Benefit	Smoothed Return	Capital Guarantee
2014	13.33	13.55	13.55
2013	14.9	15.04	15.04
2012	0.46	0.54	0.54
2011	9.10	9.17	9.17
2010	9.07	9.05	9.05
over 5 yrs	9.25	9.35	9.35
over 10 yrs	6.89	6.91	6.91

\*Net effective earning rates are after tax and investment charges and are to 30 June 2014. Information on how crediting rates are calculated is on page 21.

# HOW WE MANAGE YOUR MONEY

Here we explain how Energy Super's Board manages your money, how investments are selected, and the actions that the Board takes to maximise returns and manage risks for each investment option.

## OUR INVESTMENT REVIEW PROCESS

Our investment committee reviews the asset allocations for each investment option each month and will tactically adjust the asset allocations based on capital, financial and economic market data if required.

Each year we also engage with JANA, our asset consultant, to complete a comprehensive review of the Fund's long term strategic asset allocation, investment objectives, investment strategies and investment manager mix, which is discussed at our annual investment strategy meeting.

## OBJECTIVES

The investment objectives and strategy for each investment option (summarised on pages 14-20) show what each aims to achieve together with industry standard measures on the level of risk involved and its suggested investment timeframe. Where the objective of an investment option is to exceed inflation by a certain level, as measured by All Groups Consumer Price Index (CPI), it is anticipated that this CPI objective should be achieved over the long term. However, there may be periods when an investment option does not meet its CPI objective, due to the volatile nature of investment markets.

## DEFAULT INVESTMENT OPTIONS

During the 2012/13 financial year, if you had a Defined Contribution account and you did not choose an investment option, we invested your super in the Balanced investment option.

From 1 September 2013, new default arrangements have applied. Until you make an investment choice your

## STANDARD RISK MEASURE

Risk band	Risk level	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

super will be invested in the MySuper investment option except in respect to the following situations, when the relevant amount will be invested in the Cash Enhanced investment option. This will occur when:

- a new account is created as a result of a family law split if your "Spouse" is an Energy Super Defined Benefit, Income Stream or Market Linked Pension member.
- a defined benefit portion is transferred to a new Defined Contribution account by an Energy Super Defined Benefit member.
- a Capital Guarantee portion is transferred to a new Defined Contribution account by an Energy Super member.
- an existing member ceases employment and has funds invested in, or has future contributions default to, the Capital Guarantee investment option when this will change to the Cash Enhanced investment option.

If you have a Market Linked Pension or Income Stream account and you do not

choose an investment option, we will invest your super in the Cash Enhanced investment option.

## HOW WE MEASURE INVESTMENT RISK

Each of our investment options have a risk band and risk level assigned to them called the Standard Risk Measure (SRM). These risk bands and risk levels are based on industry standards and allow you to compare investment options of different super funds (above).

The SRM does not take into account all forms of investment risk and you should ensure that you understand and feel comfortable with the risks and potential volatility associated with the investment options that you've chosen.

You can learn more about how the SRM is calculated by visiting the investment and performance page in the Energy Super Investment Guide available at [energysuper.com.au](http://energysuper.com.au)



## SOCIAL RESPONSIBILITY & VOTING POLICY

### SRI Balanced Option

The SRI Balanced option aims to achieve its investment return objective by investing in companies and investments that demonstrate superior environmental and social practices and offer sustainable products and services, while excluding companies that do not.

The fund's manager employs a multi-manager approach, investing in an actively managed diversified portfolio that invests in Australian and International shares, Australian and International property, Australian and International fixed interest and cash investments.

### Our Voting Policy

We believe that corporate governance is a pivotal component driving the performance of listed companies, and as such we have a responsibility to represent your best interests when responding to corporate actions that arise from our investments.

For all pooled trust investments, we may influence an investment

manager's voting decision but do not have the authority to vote. For discrete mandates, we reserve the right to vote, and report all voting instructions online at [energysuper.com.au](http://energysuper.com.au) under *Fund Governance*.

## FINANCIAL POSITION OF OUR DEFINED BENEFIT INVESTMENT POOL

An actuarial review determines how much employers must contribute to ensure that we have sufficient assets to pay all future defined benefits entitlements. As at 30 June 2014, the value of the Defined Benefit investment pool was greater than 100% of the value that would have been payable. This means that the fund is in a 'satisfactory financial position' within the meaning of superannuation law.

## OUR DERIVATIVES POLICY

The Trustee does not undertake day-to-day management of derivative instruments. Some of our external investment managers may also use derivatives when managing discrete mandates for us or pooled investment vehicles in which we invest.

The rules and limits for the use of derivatives are detailed in the investment management agreements that we have with our external investment managers.

We also consider the risks and controls in place for derivatives by carefully reviewing each investment manager's Derivative Risk Statement before they are appointed, and discussing their use of derivatives during our regular performance reviews.

We have also created a Derivatives Risk Statement that outlines the relationship between our overall investment strategy and the use of derivatives.

We monitor the effective exposure that each asset class has by measuring the underlying net derivative, futures and options exposures in all pooled investment vehicles.

Effective exposure is the sum of the market value of physical assets, the underlying market value represented by futures contracts and the effective exposure derived from options contracts.

## INCOME STREAM

A retirement Income Stream is an exciting option for anyone approaching retirement. It takes the money you've saved in your super and uses it to provide a regular, reliable income during retirement. Find out more under the 'Getting your Super' section at [energysuper.com.au](http://energysuper.com.au)



# WHAT YOU'RE INVESTED IN

In this section you'll learn more about the asset classes that we invest in, the top five investments within these asset classes and the investment terms referred to in the Energy Super Investment Guide, a copy of which is available at [energysuper.com.au](http://energysuper.com.au)

We have recently completed a project that will provide you with information about all of our investment holdings. This is now available on our website at [energysuper.com.au/assets](http://energysuper.com.au/assets)

	DEFINITION	TOP FIVE HOLDINGS
<b>Growth Assets</b>		
Australian shares	An investment in part of a company listed on the Australian share market.	BHP Billiton Limited Commonwealth Bank of Australia ANZ Westpac Banking Corporation National Australian Bank
International shares	An investment in part of a company listed on an overseas share market.	Wells Fargo Schlumberger Ltd WPP PLC Oracle Corp Baidu Inc
Property	An investment in property that can be domestic (residential or multi-family homes), retail (shopping centres), commercial (office buildings) or industrial (factories and distribution centres). We invest using property trusts, either unlisted or listed on the Australian or overseas share markets.	Castle Towers Robina Town Centre Canberra Centre Home Hub Hills Eastland
Growth alternatives	An investment in infrastructure (airports, hospitals), property (office developments, retirement villages) and private equity funds (which aim to turnaround underperforming companies or grow businesses using new business strategies).	Queensland Airports Port of Newcastle Freeport LNG North Queensland Airports Sydney Desalination Plant
<b>Defensive Assets</b>		
Defensive alternatives	An investment in high-yielding fixed interest investments, specialist fixed interest managers and income-producing infrastructure (like toll roads) and property (securely-leased property).	111 George Street, Brisbane CBD 61 Mary Street, Brisbane CBD 33 Charlotte Street, Brisbane CBD 54 Mary Street, Brisbane CBD 41 George Street, Brisbane CBD
Global fixed interest	An investment in Australian and Foreign Government bonds, global corporate bonds (loans to large companies that pay interest) and Mortgage-Backed Securities (groups of loans that pay regular income).	Australian Government U.S. Government Queensland Treasury Mexico Government Spanish Government
Cash enhanced	An investment in cash, floating rate notes (that pay interest and rise or fall with interest rates), discount securities, term deposits and Mortgage-Backed Securities (groups of loans that pay regular income).	Bank of China Bank of Queensland Westpac ANZ Commonwealth Bank of Australia
Cash	An investment in cash or term deposits, which may be covered by the Federal Government Bank Guarantee Scheme.	Bank of China Bank of Queensland Rural Bank AMP Heritage



# YOUR INVESTMENTS

The following tables show the investment objectives, minimum suggested investment timeframe, standard risk measures, risk level and the strategic and actual asset allocations for each of Energy Super's investment options including our Defined Benefit investment pool as at 30 June 2014. To help you understand the jargon, here are some key explanations.

## INVESTMENT OPTIONS

<b>Single sector options</b>	An investment option that invests in one asset class like Australian shares.
<b>Diversified options</b>	A pre-mixed blend of single sector options to suit different risk and return objectives.
<b>Suggested timeframe</b>	How long you need to invest in an investment option to give it the best chance of meeting its investment return objective.
<b>Risk level</b>	The level of risk taken by an investment option to meet its investment return objective. Generally, the higher the risk, the higher the potential return.
<b>Strategic asset allocation</b>	The mix of assets within each investment option used to meet its investment return objective.
<b>Actual asset allocation</b>	The current mix of assets as at 30 June 2014.

Find out more about our investment options online at [energysuper.com.au/managing-your-super/investment-options](http://energysuper.com.au/managing-your-super/investment-options)



Energy Super hosts a range of investment seminars during the year for members across Queensland. Registration is easy. To view the range and book your spot, simply go to [energysuper.com.au/financial-advice/webinars-and-seminars](http://energysuper.com.au/financial-advice/webinars-and-seminars)

## Q&A WITH THE ADVISORY SERVICES TEAM

Energy Super's Associate Adviser, Ben Ingham takes members through some of the more popular questions that are asked when making a decision about where to invest their super.

[energysuper.com.au/BenIngham](http://energysuper.com.au/BenIngham)



# YOUR INVESTMENTS [CONTINUED]

The following tables show the investment objectives, minimum suggested investment timeframe, risk level, strategic and actual asset allocations for each of Energy Super's investment options including our Defined Benefit investment pool as at 30 June 2014.

## Defined Benefit

### Investment return objectives<sup>1</sup>

This option aims to:

- provide similar investment returns as the Balanced investment option; and
- achieve returns (after tax and other costs) over rolling ten year periods of 3% above inflation.<sup>2</sup>

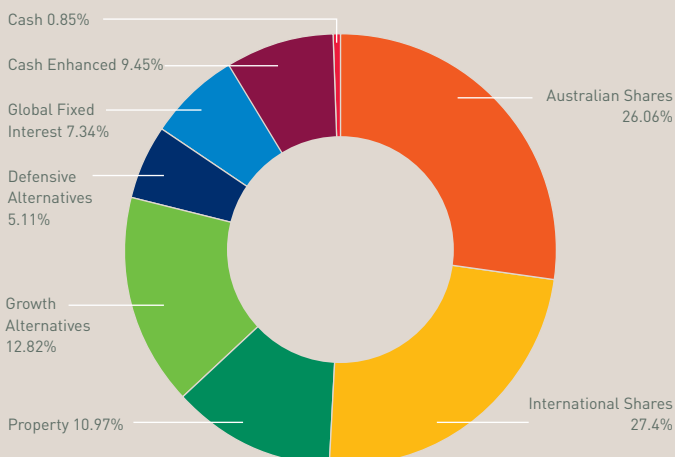
Minimum suggested investment timeframe Five years

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

### Strategic asset allocation

Asset class	Strategic asset allocation (%)	Range (%)
<span style="color: #e67e22;">■</span> Australian Shares	28	20-40
<span style="color: #f1c40f;">■</span> International Shares	22	0-30
<span style="color: #27ae60;">■</span> Property	10	0-20
<span style="color: #2ecc71;">■</span> Growth Alternatives	15	5-25
<b>Total growth assets</b>	<b>75</b>	<b>65-85</b>
<span style="color: #2980b9;">■</span> Defensive Alternatives	5	0-10
<span style="color: #3498db;">■</span> Global Fixed Interest	10	0-25
<span style="color: #8e44ad;">■</span> Cash Enhanced	10	0-25
<span style="color: #e91e63;">■</span> Cash	-	-
<b>Total defensive assets</b>	<b>25</b>	<b>15-35</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective? Yes

## Cash Deposit

### Investment return objectives<sup>1</sup>

This option aims to:

- provide a positive return each year; and
- achieve returns (before tax and other costs) over rolling three years of at least the return from retail cash management trusts.

Minimum suggested investment timeframe One year

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

### Strategic asset allocation

Asset class	Strategic asset allocation (%)	Range (%)
<span style="color: #e67e22;">■</span> Australian Shares	-	-
<span style="color: #f1c40f;">■</span> International Shares	-	-
<span style="color: #27ae60;">■</span> Property	-	-
<span style="color: #2ecc71;">■</span> Growth Alternatives	-	-
<b>Total growth assets</b>	<b>0</b>	<b>0</b>
<span style="color: #2980b9;">■</span> Defensive Alternatives	-	-
<span style="color: #3498db;">■</span> Global Fixed Interest	-	-
<span style="color: #8e44ad;">■</span> Cash Enhanced	-	-
<span style="color: #e91e63;">■</span> Cash	100	0-100
<b>Total defensive assets</b>	<b>100</b>	<b>0-100</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective? Yes

1. Investment return objectives are not guaranteed to be met.
2. Inflation is measured by the National Consumer Price Index (CPI).
3. See Standard Risk Measure on page 10.

## Cash Enhanced

### Investment return objectives<sup>1</sup>

This option aims to:

- provide a positive return modestly higher than the Cash Deposit option; and
- achieve returns (after tax and other costs) over rolling three years of 1% above inflation.<sup>2</sup>

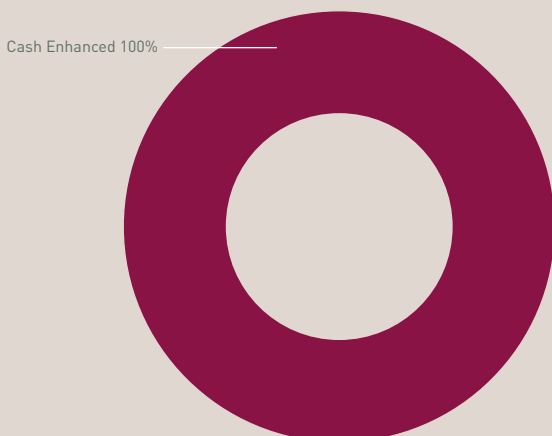
Minimum suggested investment timeframe One year

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

### Strategic asset allocation

Asset class	Strategic asset allocation (%)	Range (%)
Australian Shares	-	-
International Shares	-	-
Property	-	-
Growth Alternatives	-	-
<b>Total growth assets</b>	<b>0</b>	<b>0</b>
Defensive Alternatives	-	-
Global Fixed Interest	-	-
Cash Enhanced	100	0-100
Cash	-	-
<b>Total defensive assets</b>	<b>100</b>	<b>0-100</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective? Yes

## Stable

### Investment return objectives<sup>1</sup>

This option aims to:

- provide returns modestly higher than generally associated with cash and fixed interest assets; and
- achieve returns (after tax and other costs) over rolling ten years of 1.5% above inflation.<sup>2</sup>

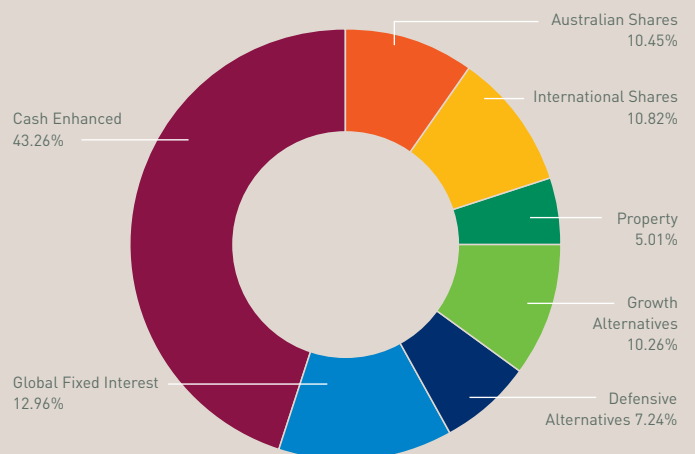
Minimum suggested investment timeframe Three years

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

### Strategic asset allocation

Asset class	Strategic asset allocation (%)	Range (%)
Australian Shares	10	0-20
International Shares	10	0-20
Property	5	0-10
Growth Alternatives	10	0-20
<b>Total growth assets</b>	<b>35</b>	<b>25-45</b>
Defensive Alternatives	5	0-10
Global Fixed Interest	15	10-50
Cash Enhanced	45	10-50
Cash	-	-
<b>Total defensive assets</b>	<b>65</b>	<b>55-75</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective? Yes



# YOUR INVESTMENTS [CONTINUED]

## Capital Managed

### Investment return objectives<sup>1</sup>

This option aims to:

- provide returns with some capital growth balanced by other relatively stable returns from Cash and Fixed Interest assets; and
- achieve returns (after tax and other costs) over rolling ten years of 2% above inflation.<sup>2</sup>

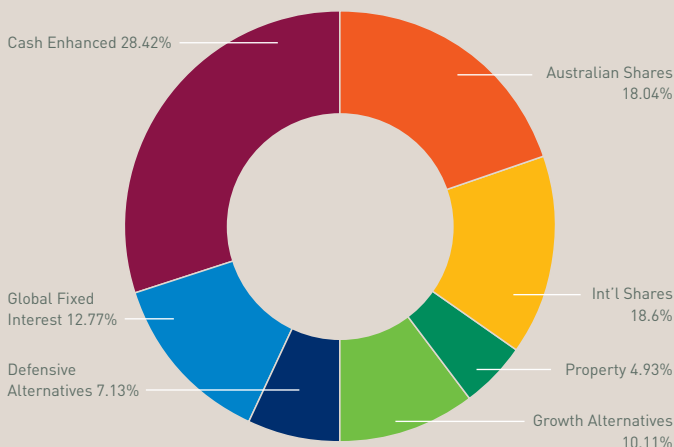
Minimum suggested investment timeframe Three years

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

### Strategic asset allocation

Asset class	Strategic asset allocation (%)	Range (%)
Australian Shares	20	10-30
International Shares	15	0-25
Property	5	0-10
Growth Alternatives	10	0-20
<b>Total growth assets</b>	<b>50</b>	<b>40-60</b>
Defensive Alternatives	5	0-10
Global Fixed Interest	15	5-45
Cash Enhanced	30	0-40
Cash	-	-
<b>Total defensive assets</b>	<b>50</b>	<b>40-60</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective? Yes

## Balanced

### Investment return objectives<sup>1</sup>

This option aims to:

- provide higher returns, mainly from capital growth, than the Stable and Capital Managed options; and
- achieve returns (after tax and other costs) over rolling ten year periods of 3% above inflation.<sup>2</sup>

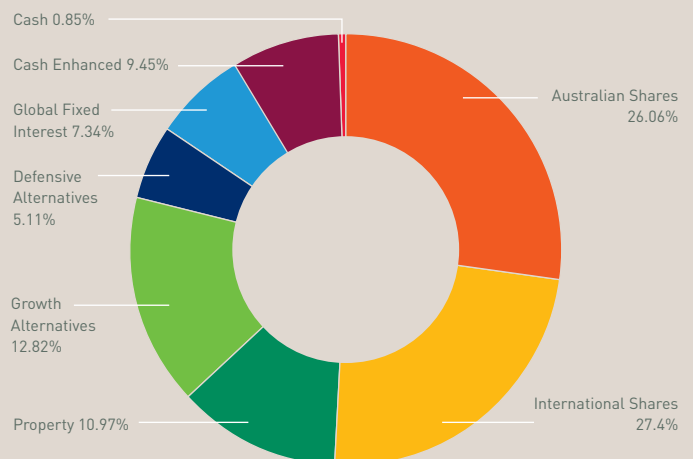
Minimum suggested investment timeframe Five years

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

### Strategic asset allocation

Asset class	Strategic asset allocation (%)	Range (%)
Australian Shares	28	20-40
International Shares	22	0-30
Property	10	0-20
Growth Alternatives	15	5-25
<b>Total growth assets</b>	<b>75</b>	<b>65-85</b>
Defensive Alternatives	5	0-10
Global Fixed Interest	10	0-25
Cash Enhanced	10	0-25
Cash	-	-
<b>Total defensive assets</b>	<b>25</b>	<b>15-35</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective? Yes

1. Investment return objectives are not guaranteed to be met.
2. Inflation is measured by the National Consumer Price Index (CPI).
3. See Standard Risk Measure on page 10.

## MySuper

### Investment return objectives<sup>1</sup>

This option aims to:

- provide higher returns, mainly from capital growth, than the Stable and Capital Managed options; and
- achieve returns (after tax and other costs) over rolling ten year periods of 3% above inflation.<sup>2</sup>

Minimum suggested investment timeframe

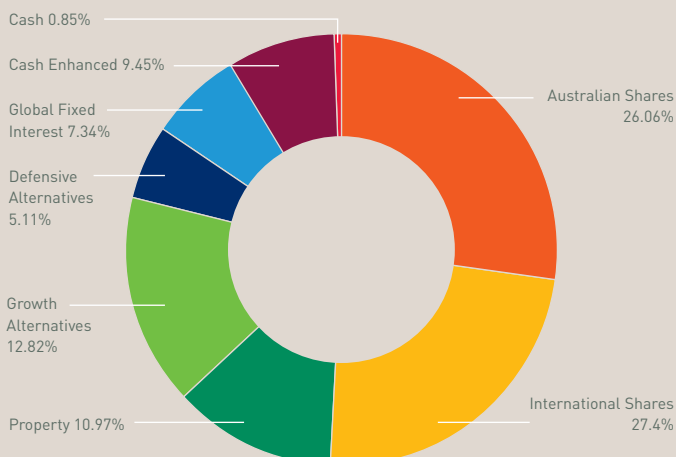
Five years

Risk level<sup>3</sup> Low (1) (2) (3) (4) (5) (6) (7) High

### Strategic asset allocation

Asset class	Strategic asset allocation (%)	Range (%)
Australian Shares	28	20-40
International Shares	22	0-30
Property	10	0-20
Growth Alternatives	15	5-25
<b>Total growth assets</b>	<b>75</b>	<b>65-85</b>
Defensive Alternatives	5	0-10
Global Fixed Interest	10	0-25
Cash Enhanced	10	0-25
Cash	-	-
<b>Total defensive assets</b>	<b>25</b>	<b>15-35</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective?

N/A

## SRI Balanced

### Investment return objectives<sup>1</sup>

This option aims to:

- provide returns higher than the Stable and Capital Managed options mainly from capital growth; and
- achieve returns (after tax and other costs) over rolling ten years of 3% above CPI.<sup>2</sup>

Minimum suggested investment timeframe

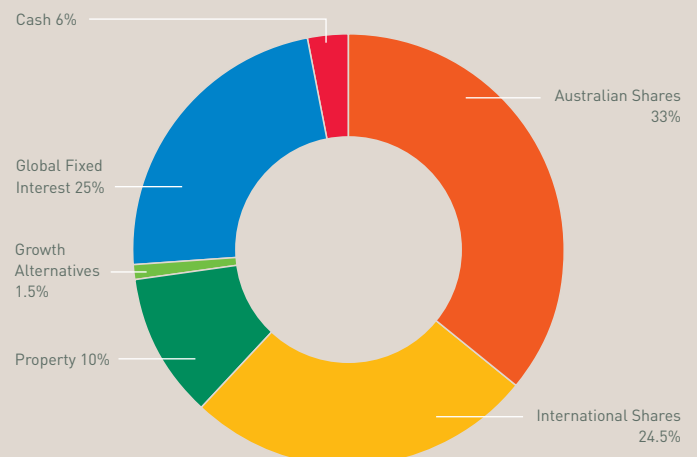
Five years

Risk level<sup>3</sup> Low (1) (2) (3) (4) (5) (6) (7) High

### Strategic asset allocation

Asset class	Strategic asset allocation (%)	Range (%)
Australian Shares	33	26-40
International Shares	24.5	15-30
Property	10	0-28
Growth Alternatives	1.5	0-6
<b>Total growth assets</b>	<b>69</b>	<b>N/A</b>
Defensive Alternatives	-	-
Global Fixed Interest	25	10-36
Cash Enhanced	-	-
Cash	6	0-16
<b>Total defensive assets</b>	<b>31</b>	<b>N/A</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective?

Yes

# YOUR INVESTMENTS [CONTINUED]

## Growth

### Investment return objectives<sup>1</sup>

This option aims to:

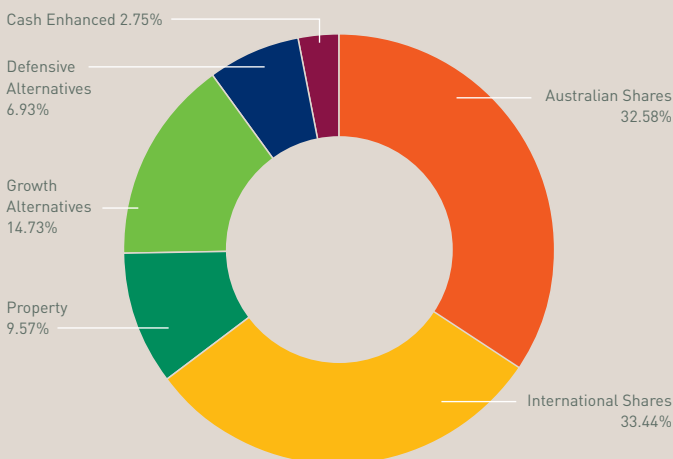
- provide considerable returns from capital growth; and
- achieve returns (after tax and other costs) over rolling ten years of 3.5% above inflation.<sup>2</sup>

Minimum suggested investment timeframe Seven years

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

Strategic asset allocation		
Asset class	Strategic asset allocation (%)	Range (%)
<span style="color: #e67e22;">■</span> Australian Shares	35	15-45
<span style="color: #f1c40f;">■</span> International Shares	30	0-40
<span style="color: #27ae60;">■</span> Property	10	0-20
<span style="color: #2ecc71;">■</span> Growth Alternatives	15	5-25
<b>Total growth assets</b>	<b>90</b>	<b>80-100</b>
<span style="color: #2980b9;">■</span> Defensive Alternatives	5	0-10
<span style="color: #3498db;">■</span> Global Fixed Interest	-	0-10
<span style="color: #8e44ad;">■</span> Cash Enhanced	5	0-10
<span style="color: #e91e63;">■</span> Cash	-	-
<b>Total defensive assets</b>	<b>10</b>	<b>0-20</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective? Yes

## Australian Shares

### Investment return objectives<sup>1</sup>

This option aims to:

- provide high returns over the suggested time frame; and
- achieve returns (after tax and other costs) over rolling ten years of 3.5% above inflation.<sup>2</sup>

Minimum suggested investment timeframe Ten years

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

Strategic asset allocation		
Asset class	Strategic asset allocation (%)	Range (%)
<span style="color: #e67e22;">■</span> Australian Shares	100	90-100
<span style="color: #f1c40f;">■</span> International Shares	-	-
<span style="color: #27ae60;">■</span> Property	-	-
<span style="color: #2ecc71;">■</span> Growth Alternatives	-	-
<b>Total growth assets</b>	<b>100</b>	<b>90-100</b>
<span style="color: #2980b9;">■</span> Defensive alternatives	-	-
<span style="color: #3498db;">■</span> Global Fixed Interest	-	-
<span style="color: #8e44ad;">■</span> Cash Enhanced	-	-
<span style="color: #e91e63;">■</span> Cash	-	0-10
<b>Total defensive assets</b>	<b>0</b>	<b>0-10</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective? Yes



1. Investment return objectives are not guaranteed to be met.
2. Inflation is measured by the National Consumer Price Index (CPI).
3. See Standard Risk Measure on page 10.

## International Shares

### Investment return objectives<sup>1</sup>

This option aims to:

- provide high returns over the suggested time frame; and
- achieve returns (after tax and other costs) over rolling ten years of 3.5% above inflation.<sup>2</sup>

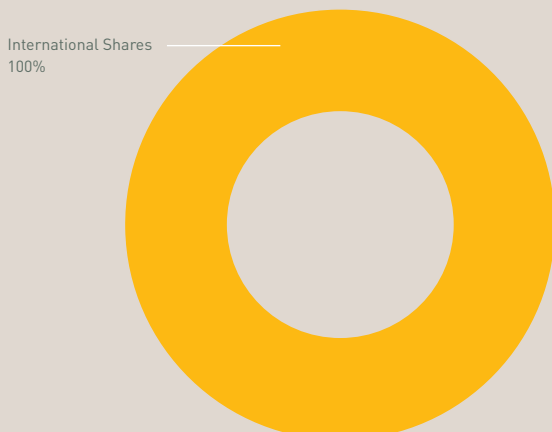
Minimum suggested investment timeframe Ten years

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

### Strategic asset allocation

Asset class	Strategic asset allocation (%)	Range (%)
<span style="color: #e67e22;">■</span> Australian Shares	-	-
<span style="color: #f1c40f;">■</span> International Shares	100	0-100
<span style="color: #27ae60;">■</span> Property	-	-
<span style="color: #2ecc71;">■</span> Growth Alternatives	-	-
<b>Total growth assets</b>	<b>100</b>	<b>90-100</b>
<span style="color: #2980b9;">■</span> Defensive alternatives	-	-
<span style="color: #3498db;">■</span> Global Fixed Interest	-	-
<span style="color: #8e44ad;">■</span> Cash Enhanced	-	-
<span style="color: #e91e63;">■</span> Cash	-	0-10
<b>Total defensive assets</b>	<b>0</b>	<b>0-10</b>

### Actual asset allocation as at 30 June 2014



Has this option met its investment objective? No

## Smoothed Return (Defined Contribution only)

### Investment return objectives<sup>1</sup>

This option aims to:

- provide a return similar to the Balanced investment option but smoothed by movements to and from the reserve; and
- achieve returns (after tax and other costs) over rolling ten year periods 2% above inflation.<sup>2</sup>

Minimum suggested investment timeframe Five years

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

### Strategic and actual asset allocation

The Smoothed Return investment option is invested in the same way and the same pool as the Balanced investment option. Please refer to page 16 for further information.

### How the crediting rate is calculated

The Smoothed Return investment option crediting rate is calculated by averaging the net effective earning rates of the Balanced investment option for the last three financial years. This average is then adjusted to maintain the reserves required for the smoothing process. In years where investment performance is good, the crediting rate may be lower than actual earnings. Conversely, in years where investment performance is lower, the crediting rate may be higher than actual earnings. By smoothing the crediting rates, the variations in investment performance are averaged over a longer period. The reserves for smoothing of returns are supported by the defined benefit reserves of employers who offer the Smoothed Return investment option to their employees.

### Important information

This investment option has been made available to some employees of employers with the agreement of the Trustee. Only contributions paid by these employers can be invested in this option. You cannot choose to invest your rollovers or lump sum contributions in this option, nor can you switch existing balances to it. If you switch to another option, you cannot transfer your money back to the Smoothed Return investment option. If you leave your employer, the treatment of your Smoothed Return investment amount will depend on your circumstances. Contact Energy Super for more information.

# YOUR INVESTMENTS [CONTINUED]

## Capital Guarantee (Defined Contribution only)

### Investment return objectives<sup>1</sup>

This option aims to:

- provide a return up to the Defined Benefit investment pool return less 1% but not less than zero; and
- achieve returns (after tax and other costs) over rolling two year periods 2% above inflation.<sup>2</sup>

Minimum suggested investment timeframe Five years

Risk level<sup>3</sup> Low 1 2 3 4 5 6 7 High

### Strategic and actual asset allocation

The Capital Guarantee investment option is invested in the same way and the same pool as the Balanced investment option. Please refer to page 16 for further information.

### How the crediting rate is calculated

The crediting policy applied to the Capital Guarantee investment option is designed to protect your investment from negative returns from one year to the next by first applying a "smoothing" factor to the net earnings of the Defined Benefit investment pool. Smoothing of the earnings is achieved by (each year) calculating net effective earnings averaged over the past three financial years, and then discounting the result by a factor, as advised by the Fund Actuary, to maintain enough reserves to support the guarantee. Reserves for the Capital Guarantee investment option are supported by the defined benefit reserves of employers who offer the Capital Guarantee investment option to their employees.

### Important information

This investment option has been made available to some employees of some employers with the agreement of the Trustee. Only contributions paid by these employers can be invested in this option. It is closed to new members. If you have an amount in the Capital Guarantee investment option you cannot choose to invest your rollovers or lump sum contributions in this option, nor can you switch other existing balances to it. If you switch to another option, you cannot transfer your money back to the Capital Guarantee investment option. If you leave your employer, the treatment of your Capital Guaranteed amount will depend on your circumstances. Contact Energy Super for more information.

## FIND YOUR LOST SUPER

Simply call us on **1300 4 ENERGY** (1300 436 374) to get your super sorted. We just need your consent and we'll use your Tax File Number (TFN) to find any lost super that you may have.

## SWITCH TO ELECTRONIC STATEMENTS

Get your annual statements faster through our member online portal. View, print and store your statements simply and securely (and save a few trees too).

To register for electronic statement notification login to **member online access** and update your details or call us on **1300 4 ENERGY** (1300 436 374) and provide your email address.

## E-FORMS MAKE IT EASIER

A number of our forms are now available in an electronic format, with electronic signature making it easier than ever to simply select, complete and submit paperwork online. You can now fill in e-forms on any device at any time so it's convenient and you'll save on paperwork too.

You'll find our e-forms in the 'Forms & Tools' section at **[energysuper.com.au](http://energysuper.com.au)**



**WE'RE SIMPLIFYING  
SUPER BY MAKING  
IT EASIER TO ACCESS  
OUR SERVICES AND  
INTERACT WITH US.**

# CREDITING RATES & UNIT PRICES

## Accumulation or Defined Contribution Accounts

### CREDITING RATES

Crediting rates, which fluctuate throughout the year in line with investment market movements, are calculated daily and all earnings are paid to your account on 30 June each year.

Crediting rates for investment options are generally equal to the investment earning rate of the investment option, less tax and other management costs. The exceptions to this are the Defined Benefit/Three Year Average, Smoothed Return investment option and the Capital Guarantee investment option. Information on how crediting rates for these options are calculated are listed below.

### HOW CREDITING RATES ARE CALCULATED

The crediting rate for all Defined Contribution investment options can be positive or negative and they are equal to the investment earning of the investment option, less tax and other management costs. The exceptions to this policy are the Defined Benefit/Three Year Average, Smoothed Return investment option and the Capital Guarantee investment option (see page 19 and 20).

### DEFINED BENEFIT

The Defined Benefit investment pool crediting rate is calculated by averaging the net effective earning rates for the last three years (subject to any adjustments the Trustee considers appropriate having regard to the financial position of the pool). The crediting rate policy may be changed from time-to-time.

### SMOOTHED RETURN

The Smoothed Return investment option crediting rate is calculated by averaging the net effective earning rates of the Balanced investment option for the last three financial years. This average is then adjusted to maintain the reserves required for the smoothing process. In years where investment performance is good, the crediting rate may be lower than actual earnings. Conversely, in years where investment performance is lower, the crediting rate may be higher than actual earnings. By smoothing the crediting rates, the variations in investment performance are averaged over a longer period. The reserves for smoothing of returns are supported by employers who offer the Smoothed Return investment option to their employees.

### CAPITAL GUARANTEE

The crediting policy applied to the Capital Guarantee investment option is designed to protect your investment from negative returns from one year to the next by first applying a "smoothing" factor to net earnings of the Defined Benefit investment pool. Smoothing of the earnings is achieved by (each year) calculating net effective earnings averaged over the past three financial years, and then discounting the result by a factor, as advised by the Fund Actuary, to maintain enough reserves to support the guarantee. Reserves for the Capital Guarantee investment option are supported by employers who offer the Capital Guarantee investment option to their employees.

### Tax on investment earnings

Investment earnings on all Defined Contribution accounts are taxed at up to 15%.

## Market Linked Pension and Income Stream Accounts

### HOW UNIT PRICES ARE CALCULATED

Unit prices for Market Linked Pension and Income Stream investment options are calculated daily and reflect the value of each option's assets for that day, less tax and other management costs.

You can work out the value of your super by multiplying the number of units you have in each option by the unit price for that day. Between any two periods in time the change in unit price can be calculated and expressed as a percentage.

You can find the latest unit prices on our website at [energysuper.com.au](http://energysuper.com.au)

### TAX ON INVESTMENT EARNINGS

Investment earnings on all Defined Contribution accounts are taxed at up to 15%, while there is no tax on investment earnings from Market Linked Pension or Income Stream accounts.

That's why the after-tax investment returns of Market Linked Pension and Income Stream investment options will be slightly different to the after-tax investment returns of equivalent Defined Contribution investment options.



# MANAGING YOUR SUPERANNUATION

We encourage you to take an active role in making decisions about your super so you can achieve the best retirement outcome possible. Here you'll learn more about some of the factors that you should consider in managing your super.

## IMPROVE YOUR UNDERSTANDING AND TAKE CONTROL

With the right knowledge about wealth and super you're in a better position to make informed and financially sound decisions about your retirement. We have a range of tools, advice and services to help you. Our online interactive learning centre at [energysuper.com.au](http://energysuper.com.au) is designed to help you educate yourself and includes calculators, fact sheets and videos. You can also register for a webinar or seminar. More information about how you can learn more about super can be found on page 24.

## CONSOLIDATE YOUR ACCOUNTS

Combining your super into one account makes it easier to keep track of your super and could save you money as you'll only be paying one set of administration fees. Transferring all your funds into your Energy Super account is quick and easy. To consolidate your super select the 'rollover your super' link at [energysuper.com.au](http://energysuper.com.au) and follow the simple steps.

## BENEFICIARY NOMINATIONS

To ensure your death benefit is paid the way you want, you should make your wishes known to us with a beneficiary nomination and always ensure it remains valid and up to date.

You should review your nomination regularly. Changes in your circumstances, such as marriage, a new de facto relationship, separation or divorce, birth of a child, or death of a spouse or partner, may affect the validity of your nomination or your wishes.

Your Annual Statement will show details of your nomination (if any) and its expiry date if it is a binding nomination.

To renew, change or cancel your nomination, simply complete the relevant nomination form available under the 'Forms and Tools' section on our website – [energysuper.com.au](http://energysuper.com.au)

For more information on beneficiary nominations and death benefits, please refer to the Energy Super 'What happens to my super when I die' Guide or call us on **1300 4 ENERGY** (1300 436 374).

## INVESTMENT OPTIONS

The choices you make about how your super is invested can make a significant difference to your retirement. It is vital that you choose an investment option that suits your age, income and attitude to risk. We offer ten investment options for both accumulation and income stream members (summarised on pages 14–20) that have different objectives and strategies and therefore provide different risk levels and returns. It's important that you remain an active investor and invest time in checking your investment options.

## SWITCHING

You can switch your investment options at any time. Simply complete a 'Change of Investment Choice' form – available at [energysuper.com.au](http://energysuper.com.au) – and return it to us. You can also change your investment option(s) by logging onto Member Online – the secure section of the website.

You can switch your account balance, future contribution/rollover investment allocation, or a combination of both.

Your first investment switch each financial year is provided at no extra cost. During the 2013/14 financial year additional investment switches cost \$28 and this will be deducted from your Energy Super account.

All switches are now processed using the last available crediting rate or unit price at the date that the transaction is processed. The Trustee has performance standards and procedures in place for the processing of investment switches and generally investment switch requests will be processed within a few days of receipt. Once you submit your investment switch request, it cannot be revoked.

## INVESTMENT ADVICE

Before you change your investment options or make any other decisions about your super, we strongly recommend that you seek expert financial advice. Our financial advisers can help you to select the most appropriate investment option for your individual circumstances.



To find out more about how you can manage your super:

View our 'Getting your super sorted' video or visit the 'Managing your super' section of our website at [energysuper.com.au](http://energysuper.com.au)

Read the Energy Super 'Investment Guide' or 'Growing My Super Guide'.

Talk to an expert.  
Call **1300 4 ENERGY** (1300 436 374) today to book an appointment.

# WHAT WOULD HAPPEN IF YOU WERE SUDDENLY UNABLE TO WORK?

Energy Super member Andrew Bramley shares his experience of Energy Super Income Protection Insurance.

With an eight year-old son and a baby girl on the way, Andrew and his wife need the peace of mind that comes with knowing they are protected if an incident occurred that prevented Andrew from working.

By talking with an Energy Super financial adviser, Andrew was able to decide on an insurance plan that suited his family's needs. Andrew's Income Protection Insurance provides income in the event of illness or injury.

The assistance and advice offered by Energy Super helped Andrew to feel confident about his family's financial wellbeing.

"I have every bit of confidence that I can call Energy Super to get the answers and the support that I need," Andrew said.

"There are a lot of options to choose from in terms of insurance, however I feel Energy Super is performing well enough for me and I feel confident in my family's financial security."

Andrew has received ongoing support and advice from Energy Super in several ways, including workplace seminars, individual consultations, and support over the telephone.

**Andrew Bramley –  
Energy Super member**

## YOUR INSURANCE

We insure our homes, cars and other large assets, but many of us don't protect our largest and most valuable asset – our income earning capacity. The loss of part of your income because of an unforeseen injury or illness can have a huge impact on your ability to meet everyday living expenses. Regardless of your award, salary or age, everyone needs a safety net if something were to happen.

**Insurance offers peace of mind and protection for yourself and your loved ones.** Your super is just one step towards securing your financial future. It's also important to have the right level of insurance so you and your loved ones are properly protected in case the unexpected happens.

### INSURANCE COVER WITH ENERGY SUPER

We continue to offer convenient, low-cost insurance including cover for:

- **Total and Permanent Disablement (TPD)**, where you receive a lump sum if you're permanently unable to work
- **Death Only**, where you receive a lump sum if you have a terminal illness, or where a lump sum is paid to your beneficiaries when you die
- **Income Protection**, where you can receive up to 90% of your income plus a super contribution of 10% of your benefit if you're unable to work due to illness or injury.

We work very closely with our insurers (MLC and Beazley Australia) to ensure

we can provide insurance that is affordable, provides generous levels of cover and has an easy claims process.

### DO YOU HAVE ENOUGH INSURANCE?

As a member of Energy Super, you may have received a certain level of insurance cover automatically when you joined, however this may not be enough for your individual circumstances.

That's why it's important to review your insurance cover. Our dedicated financial advisers can help you review your insurance cover over the phone at no additional cost. Simply phone us on **1300 4 ENERGY** (1300 436 374).

Over 400 insurance claims were paid from the fund in the 2014 financial year, representing over \$12.8 million in benefits or replacement income for members.



Learn more about our insurance cover options:

Visit [energysuper.com.au/managing-your-super/insurance](http://energysuper.com.au/managing-your-super/insurance)

Read the **Energy Super Insurance Guide**.

Watch our insurance video – you'll find it under 'YouTube videos' at [energysuper.com.au](http://energysuper.com.au)

# HELPING YOU LEARN ABOUT SUPER

Our vision is to educate and empower our members so that they are better placed to take control of their financial future.

We're driven to make sure that you're educated about wealth and super so that you can make informed decisions and achieve your retirement goals. Your super is important - whether it be for insuring your income now or providing income in retirement, so it's important to get it right.

We believe that it's important for you to have the knowledge to:

- make the right investment decisions;
- have the appropriate insurance cover;
- know when to review investment decisions and insurance cover throughout your life;
- identify when to ask for support; and
- know good advice from bad.

## GET SUPER SMART WITH ENERGY SUPER

We are continually looking at innovative ways to help you learn more about super. We have a range of information, tools and services on our website [energysuper.com.au](http://energysuper.com.au)

These include:

- **Calculators** – find out how much you'll need in retirement, optimise your super contributions, keep track of your before-tax contribution limits, explore salary sacrificing options and more.
- **Videos** – hear from our experts on a range of topics. You can also subscribe to our YouTube Channel so you will know when we add new topics.
- **Webinars** – view a range of webinars in your own time.
- **Seminars** – view our seminar schedule, topics and register online.

## ATTEND A SEMINAR

We run a regular seminar series for our members. Our regular education seminars are conducted by our experienced team and cover a range of superannuation and wealth topics such as planning for retirement, estate planning, maximising retirement income and Centrelink entitlements. In response to members feedback we have introduced new topics such as the Global and Australian economic outlook

which is co-presented by guest speakers from a variety of Energy Super's investment fund managers.

## WE'RE HERE TO HELP

Our dedicated team of financial advisers can help you with the information and advice you need to secure your financial future. Whether you have a simple question about your super or would like a tailored financial plan, we can help you. As an Energy Super member, you can access:

- **Single-issue advice** – personal advice about your Energy Super account in regards to a single issue or topic including investment choice, insurance, and contribution strategies. This advice is given over the phone at no additional charge.
- **Comprehensive advice** – personal advice, usually conducted face-to-face, that can cover your entire financial situation including non Energy Super solutions. A fee is charged for this level of advice.

To book an appointment, simply phone us on **1300 4 ENERGY** (1300 436 374).



## GET SUPER SMART WITH ENERGY SUPER

Explore our online tools, calculators and videos at [energysuper.com.au](http://energysuper.com.au)

Subscribe to our newsletter and monthly investment updates

Register for a seminar or webinar

Talk to an Energy Super expert. Call **1300 4 ENERGY** (1300 436 374) today to book an appointment.

## JOIN US

Did you know you don't have to work in the energy industry to be a member? Energy Super is an industry superannuation fund with a legacy for employees working in the energy industry in Queensland. We are also a Public Offer fund, which means that your family and friends are welcome to join too.

Here's a snapshot of the education programs and advice services that we provided to members this year:

FINANCIAL ADVICE

1086

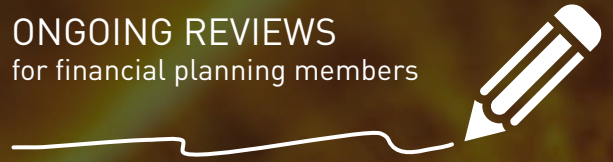
SINGLE ISSUE ADVICE  
statements issued, around  
contributions, investment  
options and insurance  
at no extra cost to members

165

HOLISTIC STATEMENTS  
of advice issued on a fee for service basis

216

ONGOING REVIEWS  
for financial planning members



MEMBER FORUMS

OVER 280  
MEMBERS



attended the Annual Member  
Forum held at 6 key locations  
across Queensland

EMPLOYER CONTACTS

3,706



MEMBER SERVICES

OVER  
46,000  
CALLS  
TAKEN



SEMINARS & TOOLBOX TALKS  
(ON-SITE MEETINGS)

6,791  
MEMBERS



attended a seminar  
or onsite meeting

WEBSITE & MOBILE SITE VISITORS



OVER 282,000

visitors to our website including  
over 24,000 visits to our mobile site



# OUR BOARD

## Member Representative Directors

The Board acts in the best interests of members and is responsible for setting and monitoring the strategic direction and performance of the Fund. The Board also oversees the management of risk and compliance with governance obligations, regulatory requirements and ethical standards.

We understand that the views of all our stakeholders are important, so we ensure the Energy Super Board of Directors includes both employer and member representatives.

The Board values: • **Honesty and integrity** • **Respect for people** • **Service excellence** • **Recognition as a leading superannuation fund** • **Best practice in governance**

### BOB HENRICKS

#### Chair and Member Representative Director

*Appointed: 30/05/1995 – Current*

*Nominated by:*

*Electrical Trade Union (ETU)*

*Age: 69*

*Qualifications: RG146 for Superannuation*

Skills and experience: Appointed as Member Representative Director of ESIS(Q) in May 1995 and Chair of ESIS(Q) in 1995 and each year following.

Bob is a leading figure in Queensland's energy industry, after beginning his career as an apprentice electrician in 1961. Bob has been involved with industry super funds for over 30 years, and has considerable experience in board processes, corporate governance, investment management and product development.

Other boards served on as at 30 June 2014:

- **Director, The Private Capital Group**
- **Director, ESIFS Pty Ltd**
- **Director, Electro Group Training Qld Ltd**
- **Director, Electro Industry Group Qld Ltd**

### PETER SIMPSON

#### Member Representative Director

*Appointed: 28/05/2013 – Current*

*Nominated by:*

*Electrical Trade Union (ETU)*

*Age: 51*

*Qualifications: RG146 for Superannuation*

Skills and experience: Appointed as Member Representative Director of ESIS(Q) in May 2013, Peter is also a member of the Member Services and Marketing Committee and Claims Committee.

Peter is committed to helping employees navigate the industry's continual evolution and development. After starting as an apprentice linesman, Peter later worked for a range of electricity organisations across New South Wales, the ACT and Queensland. Peter is the ETU State Secretary for Queensland and is responsible for all matters concerning the union, including membership, management of finances and assets, safety, training and licensing, and other activities.

Other boards served on as at 30 June 2014:

- **Director, CIRT Qld Pty Ltd**
- **Director, JETCO Qld Pty Ltd**

### DAVID SMITH

#### Member Representative Director

*Appointed: 01/12/2007 – Current*

*Nominated by:*

*Queensland Service Union*

*Age: 51*

*Qualifications: Diploma of Financial Services (Superannuation), ASFA Accredited Investment Fiduciary, RG146 for Superannuation.*

Skills and experience: Appointed as Member Representative Director of

ESIS(Q) in December 2007, David is also the Chair of Energy Super's Remuneration Committee and Claims Committee.

David is the National Secretary for the Australian Services Union and has been representing members in local government, energy, rail, port authorities, and social and community services for more than 18 years.

Other boards served on as at 30 June 2014:

- **Director, Australian Discount Shopper (Union Shopper)**
- **Director, AIST**

### SCOTT WILSON

#### Member Representative

*Appointed: 01/12/2011 – Current*

*Nominated by:*

*Electrical Trade Union (ETU)*

*Age: 50*

*Qualifications: Dip OHS, Cert IV TAA, RG146 for Superannuation*

Skills and experience: Appointed as Member Representative Director of ESIS(Q) in December 2011, Scott is also a Chair of the Member Services and Marketing Committee and member of the Claims Committee.

Since starting an electrical fitter mechanics apprenticeship in 1982, Scott has worked extensively in the electrical construction and service industry, both in Australia and overseas. Scott is the training officer for the Queensland Nurses Union and the Electrical Trades Union, where he researches, writes, delivers and accesses a variety of training in OHS, industrial relations and trade skills.

Other boards served on as at 30 June 2014:

- **Nil**

## Employer Representative Directors

### MARK WILLIAMSON

#### Deputy Chair and Employer Representative Director

*Appointed: 01/12/2011 – Current*

*Nominated by: Generators*

*Age: 63*

*Qualifications: MAICD, Associate Diploma in Industrial Engineering, RG146 for Superannuation*

Skills and experience: Appointed as Employer Director of ESIS(Q) in December 2011 and appointed as Deputy Chair of ESIS(Q) in 2013, Mark is also a member of Energy Super's Member Services and Marketing Committee, a member of the Audit, Compliance & Risk Committee, and a member of the Remuneration Committee.

Mark is an experienced director who has served on the boards of a number of leading Australian companies, as well as holding senior executive roles in the electricity, IT, telecommunications and airline industries, both within Australia and overseas.

Other boards served on as at 30 June 2014:

- **Director, CS Energy Ltd**
- **Director, Transmax Pty Ltd**
- **Chair, ESIFS Pty Ltd**

### GEOFF BALDWIN

#### Employer Representative Director

*Appointed: 22/03/2011 – Current*

*Nominated by:*

*Electrical Contractors Association*

*Age: 62*

*Qualifications: RG146 for Superannuation*

Skills and experience: Appointed as Employer Representative Director of ESIS(Q) in March 2011, Geoff is also Chair of Energy Super's Audit, Compliance & Risk Committee and a member of the Member Services and Marketing Committee.

Geoff has over 35 years' experience in the energy industry. Geoff is currently the Managing Director of GJ Baldwin & Associates Pty Ltd, an electrical, refrigeration and air-conditioning contracting company he founded in 1975. He has also held the position of Chairman for Electro Industries Group Queensland Limited and Electro Group Training Qld Limited, where he worked towards strengthening the skills of apprentices and placing them with host employers across Queensland. He was also president of the ECA Queensland between 2004 - 2009 and is an AIST Graduate.

Other boards served on as at 30 June 2014:

- **Director, GJ Baldwin & Associates Pty Ltd**
- **Director, Tamborine Refrigeration Services Pty Ltd**
- **Managing Director, Baldwin & Hardy Pty Ltd**
- **CEO, Electrogrouop Training Qld Ltd**
- **CEO, Electro Industry Group Qld Ltd**

### JOHN GELDARD

#### Employer Representative Director

*Appointed: 27/11/2007 – Current*

*Nominated by: Energex*

*Age: 68*

*Qualifications: Bachelor of Engineering, Bachelor of Commerce and CPA.*

Skills and experience: Appointed as Employer Director of ESIS(Q) in November 2007, John is a member of Energy Super's Audit, Compliance & Risk Committee.

John has extensive experience within the private and public sectors in the manufacturing, mining and energy industries, and has been involved with electricity industry reform in Queensland and Western Australia. John was previously CEO and CFO of Energex, and before that was CFO of the

Queensland Transmission and Supply Corporation.

Other boards served on as at 30 June 2014:

- **Director, Energex Ltd**
- **Director, The Private Capital Group**

### GARY HUMPHRYS

#### Employer Representative Director

*Appointed: 28/05/2013 – Current*

*Nominated by: Ergon*

*Age: 63*

*Qualifications: Diploma of Commerce and Post Graduate Diploma of Business Administration, RG146 for Superannuation*

Skills and experience: Appointed as Employer Representative Director of ESIS(Q) in May 2013, Gary is also a member of Energy Super's Audit, Compliance and Risk Committee and a member of the Claims Committee.

Gary brings more than 35 years' experience in the energy and mining industries to the Board. Gary has held senior executive roles in both the private and public sectors across a range of disciplines, including finance and accounting, treasury, taxation, information and technology, procurement, risk management and audit.

Other boards served on as at 30 June 2014:

- **Director, Ergon Energy Qld Ltd**
- **Director, St Vincent's Health Australia Ltd**



To find out more about the role of our Board visit the 'Our people' section at [energysuper.com.au](http://energysuper.com.au)

# OUR BOARD – DIRECTORS' UPDATE

## CHANGES TO YOUR BOARD

During the year the Board membership went from ten to eight Directors as we farewelled Kevin Camp and Richard Cox who have served 23 and 2 years respectively on the Board. We wish to thank Kevin and Richard for their hard work and valuable contributions.

We made changes to our Committees of the Board during the year, dividing the responsibilities of the Member Services, Marketing and Claims Committee between two committees to allow for a greater focus on product development, member services and claims management.

## LEGISLATIVE REQUIREMENTS

We worked hard to ensure that new legislative and governance requirements were met such as the implementation of MySuper, SuperStream measures and Revised Prudential and Future of Financial Advice standards and we will continue to do so. We are well placed in the new legislative environment and will keep you informed about the impact of any further changes so you can make the right decisions about your super.

## OUR PEOPLE

We're a business built on a foundation of strong values and a passion to deliver exceptional service to our members. We have an experienced and knowledgeable team as a result of our focus on attracting talent and developing, training and retaining our people. We continued to develop the knowledge and skills of our employees during the year through our professional development program.

We embrace diversity and encourage inclusion which in turn helps to generate new ideas. Our team's job is to help and continue to challenge on behalf of our members what we are offering and what we are providing.

We would like to acknowledge the great work and leadership Robyn Petrou, CEO, has provided over the past year. Robyn Petrou was awarded Fund

Executive of the Year 2013 by the Fund Executive Association Limited (FEAL), in partnership with AMP Capital, and CEO Magazine's 2013 Financial Services Executive of the Year. These awards recognise Robyn's outstanding contribution to our Fund and the superannuation industry.

## FUND DEVELOPMENTS

During the year we:

- reshaped our financial advice service and seminar program to meet growing demand. We also appointed a Townsville financial adviser to service North and Far North Queensland.
- worked on an Income Stream Investment Strategy to better assist members looking to transition to retirement or retire completely. This remains our focus and we will keep you updated with our progress.
- continued to explore ways to simplify super for our members. This included a focus on clear communication, relaunching our website, and expanding our e-form options for transactional matters.

## THE YEAR AHEAD

Over the next 12 months the Board will focus on:

**Maximising growth** through membership and distribution growth, investment performance and successor fund transfers to ensure we continue to provide value for money. We will be appointing new roles in the coming year to bolster our investment capacity and drive our member services and business development activities so we are better placed to retain and grow our membership.

**Increasing member satisfaction** by partnering with members, simplifying access to services, streamlining processes and introducing technological solutions and new products.

**Member retention** – we will continue to look for ways to support and educate you

to help you take control of your financial future and achieve your financial goals for retirement. We will do this by fostering strong relationships, keeping you informed, and providing educational opportunities, good advice and support.

### Fostering good relationships with stakeholders

including service providers, industry associations and sponsorship partners so we continue to support the energy industry and deliver more for members including a range of benefits through the Energy Rewards program and other alliances. We will also continue to represent you and ensure that your voice is heard.

**Investment performance** – in line with our policy, we will continually review our investment strategy including options, cost and tax management, as well as the changing markets and economic factors, to ensure we continue to deliver member outcomes, strong governance and offer value for money. We're also committed to improving our member communications and making sure that all super-related information is clear and concise.

**Legislation requirements** – we will continue to focus on assurance, governance and compliance by monitoring the changing legislative environment, making sure legislative requirements are met, operating within best practice governance, and keeping you informed of any changes.



If you have any questions or feedback for our Board members please get in touch. Call **1300 4 ENERGY** (1300 436 374).

Sign up for our e-newsletter at [energysuper.com.au](http://energysuper.com.au) to keep up to date with the latest super news including tips and industry changes.





**OUR DEDICATED TEAM HAS CONSIDERABLE SUPERANNUATION, ENERGY SECTOR AND INDUSTRY EXPERIENCE AND IS COMMITTED TO DELIVERING CONSISTENT RETURNS, AND SUPERIOR PRODUCTS, SERVICES AND ADVICE.**



# OUR BOARD – MEETING ATTENDANCE

## MEETING ATTENDANCE

Board	Audit, Compliance and Risk Committee		Investment Committee		Member Services, Marketing Committee		Remuneration Committee		Claims Committee			
	E*	A^	E*	A^	E*	A^	E*	A^	E*	A^		
Geoff Baldwin	9	8	5	5	9	8	6	6	-	-	-	-
Kevin Camp	6	6	-	-	6	6	-	-	-	-	-	-
Richard Cox	6	6	-	-	6	6	-	-	-	-	-	-
John Geldard	9	9	5	4	9	9	-	-	-	-	-	-
Bob Henricks	9	9	-	-	9	9	-	-	2	2	-	-
David Smith	9	6	-	-	9	6	6	6	2	2	2	2
Mark Williamson	9	9	5	4	9	9	6	4	2	2	-	-
Scott Wilson	9	8	-	-	9	8	6	6	-	-	2	-
Peter Simpson	9	6	-	-	9	6	6	4	-	-	2	-
Gary Humphrys	9	9	5	5	9	9	-	-	-	-	2	2

\* E = Eligible to attend. ^ A = Attended.



Back row (left to right): Gary Humphrys, David Smith, John Geldard, Peter Simpson, Geoff Baldwin  
Front row (left to right): Mark Williamson, Bob Henricks, Scott Wilson

# OUR BOARD – MANAGING RISK

We believe corporate governance is vital to our success – it forms part of everything we do.

Energy Super has a risk governance framework which incorporates a range of stakeholders across the Energy Super business and our material service providers. Risk is managed by the Audit, Compliance and Risk Committee (ACRC) and Board, with oversight of the Risk Management framework implemented by management.

The Board ensures that the organisation's strategic plan and associated risks are aligned, that our risks are managed and monitored strongly at an operational level, and that new and emerging risks are identified.

Management and the ACRC ensure that risks are identified and managed within each business unit and that internal controls are robust.

Management and Internal & External Audit regularly test how risks are managed within the business and report the results to the Energy Super Board.

## HOW CONFLICTS OF INTEREST ARE MANAGED

We are committed to always being impartial and fair in our dealings with members, employers, service providers, regulators, sponsors and the general public. Their trust, confidence and support of our goals and objectives are vital if we are to be successful. We encourage all our employees to raise potential conflicts of interest as soon as they are aware that one may exist, with all discussions about potential conflicts of interest being minuted. All actual and potential conflicts of interest are either avoided or, where they cannot be avoided, managed through a combination of internal controls and appropriate disclosure, which includes them being recorded on the relevant compliance register.

## TRUSTEE

Energy Super is managed by a trustee company called Electricity Supply Industry Superannuation (Qld) Ltd (ABN 30 069 634 439, AFSL 336537).

The Trustee is responsible for managing Energy Super for the benefit of all members, in accordance with the trust deed and relevant legislation.

As at 30 June 2014, the Trustee had eight directors:

- Four employer representative directors appointed by our participating employers and employer organisations.
- Four member representative directors nominated by the Queensland Services Union and the Electrical Trades Union.

To ensure all views and ideas of employers and members are heard equally, the Trustee will continue to maintain equal numbers of Employer and Member Representatives.

## TRUST DEED

The Trust Deed is the legal document that sets out the rights and duties of the Trustee, the participating employers and members, and the rules for payment of benefits to members.

The Trust Deed can be amended by the Trustee when necessary. In 2013/14 the Trust Deed was amended to include:

- 1 July 2013: The Trust Deed was changed to facilitate any rules or policies required to be adopted by the trustee of the Fund to ensure the Fund's compliance with the Government's Stronger Super reforms.
- 22 April 2014: The Trust Deed was changed to allow a Defined Benefit member who is receiving an income protection benefit, to continue to receive that benefit if their employment ceases for any reason.

You can find our trust deed (including all incorporated amendments) on our website at [energysuper.com.au](http://energysuper.com.au)

## SERVICE PROVIDERS

We outsource a range of specialist activities to various service providers.

All outsourcing arrangements are subject to appropriate due diligence and

approval, as part of our risk management framework, to ensure that we achieve the best outcome for the Fund.

We review all our external service providers each year to ensure that their performance continues to meet our strategic and risk management objectives.

## SERVICE PROVIDERS

<b>Administration</b>	IFAA Pty Ltd ABN 28 081 966 243 AFSL 238507
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<b>Auditing (Internal)</b>	KPMG ABN 51 194 660 183 Deloitte ABN 74 490 121 060
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<b>Auditor</b>	BDO Kendalls ABN 70 202 702 402
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<b>Banking</b>	National Australia Bank Ltd ABN 12 004 044 937
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<b>Custodian</b>	National Australia Bank Ltd ABN 12 004 044 937
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<b>Fund Management and Financial Advice</b>	ESI Financial Services Pty Ltd ABN 93 101 428 782 AFSL 224952
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<b>Investment Consulting</b>	JANA Investment Advisers Pty Ltd ABN 97 006 717 568 AFSL 230693
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<b>Insurance</b>	Beazley Underwriting Pty Ltd ABN 88 096 636 412 AFSL 289089 MLC Limited ABN 90 000 000 402 AFSL 230694
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<b>Legal</b>	Corrs Chambers Westgarth ABN 89 690 832 091 Minter Ellison ABN 99 009 717 391
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## TRUSTEE LIABILITY INSURANCE

The Trustee is covered by Trustee Liability Insurance to protect it from claims being made against it, however this does not protect it from liability arising from dishonest conduct.

# COMMITTEES OF THE BOARD

## AUDIT, COMPLIANCE AND RISK COMMITTEE

The Audit, Compliance and Risk Committee is an integral part of our corporate governance framework and assists the Energy Super Board to fulfil its governance obligations through:

- overseeing our financial administration and statutory reporting process;
- ongoing reviews of our internal control framework to identify and manage risk;
- ensuring we comply with all legislative and regulatory requirements; and
- monitoring the performance of our independent audit activities.

**Chair:** Geoff Baldwin

**Members:** John Geldard, Mark Williamson and Gary Humphrys

During the year the Committee focussed on:

- implementing and monitoring of a risk governance framework;
- implementing and monitoring of our obligations under the new prudential framework;
- developing a new governance, risk and assurance framework;
- resourcing requirements to meet the new prudential standards;
- managing our risk based internal audit program;
- developing a due diligence framework for material service providers including the fund administrator and investment managers (Australian and overseas); and
- strengthening and testing our business continuity management program.

## CLAIMS COMMITTEE

The Committee is responsible for oversight of insurance claims and insurers by:

- maintaining oversight of procedures and processes of claims management;

- overseeing the process of decisions made under delegation;
- advising the Board on an appropriate course of action in respect of any complaints arising from benefits (including disputes with the insurer, claimants or dependants);
- establishing, reviewing and amending from time to time, in consultation with the Fund Administrator and the Insurer, insurance claims practices and procedures to ensure that claims are processed in an efficient and timely manner;
- monitoring the claims history of the Fund on a regular basis; and
- reviewing the operation of the Insurer to ensure consistency with the Fund's insurance objectives.

**Chair:** David Smith

**Members:** Scott Wilson, Gary Humphrys, Peter Simpson

During the year the Committee focused on the ongoing monitoring of insurance and the claims review processes.

## INVESTMENT COMMITTEE

The Board oversaw and managed the Fund's investments by:

- defining and reviewing each investment strategy and investment objective;
- selecting and monitoring the performance of all investment managers;
- implementation and oversight of the investment governance framework, outlining the functional responsibilities of all involved in the investment process; and
- construction and oversight of all investment related policies.

**Chair:** Bob Henricks

**Members:** David Smith, Scott Wilson, Gary Humphrys, Peter Simpson, Geoff Baldwin, John Geldard and Mark Williamson

Key milestones during the year included:

- oversight and delegation of the currency hedging program, leading to more robust implementation of the currency hedging program;
- oversight and delegation of the portfolio rebalancing program;
- improved investment and operational tax management and implementation;
- initial allocation to absolute return based approach in fixed income; and
- top quartile performance in all diversified options as identified by SuperRatings\*.

\*SR50 relevant investment option superannuation survey ratings provided by SuperRatings Pty Ltd (ABN 95 100 192 283 AFSL 311880).

## MEMBER SERVICES & MARKETING COMMITTEE

The Member Services and Marketing Committee provides ongoing assistance to the Board in relation to Energy Super's products and services that will benefit existing members and help attract new members to the Fund.

**Chair:** Scott Wilson

**Members:** Geoff Baldwin, Peter Simpson, David Smith, Mark Williamson

During the year, the Committee focused on the following matters:

- Energy Super's insurance management framework and Income Protection policy review;
- implementation of the Stronger Super legislative requirements including the Funds' new default investment option: My Super; and
- ongoing management and delivery of Energy Super's Industry Super Australia (ISA) membership and associated marketing activities.

# KEEPING A KEEN EYE ON INVESTMENT PERFORMANCE

AN ENERGY SUPER MEMBER'S TRUE STORY – AUGUST 2014

## REMUNERATION COMMITTEE

The Remuneration Committee helps the Board to determine the appropriate remuneration and conditions of engagement for the Directors and key management personnel of Energy Super.

**Chair:** David Smith

**Members:** Mark Williamson, Bob Henricks

During the year the Committee focused on:

- ongoing remuneration management of Responsible Persons; and
- a review of the Fund's Remuneration Policy to ensure that the framework is designed to encourage behaviour that supports:
  - the interests and meets the reasonable expectations of beneficiaries
  - the long term financial soundness of the RSE licensee, any of its RSEs or connected entities, and
  - is in keeping with the risk management framework of the RSE licensee.

Your super strategy can be as individual as your personality. Whether you are a conservative, balanced or aggressive investor, Energy Super can tailor a strategy that will suit your goals and your lifestyle.

Mr John Brook is an Ergon electrician from Westcourt Cairns who has taken control of his retirement investment strategy.

John, who is approaching retirement age, is an 'aggressive investor' who aims to maximise his retirement savings by adding further contributions to his account. An 'aggressive investor' is someone who implements a high risk strategy to achieve the highest growth of their assets.

"I'm not the type of man who will sit back and watch. I like to have my finger on the pulse of all my financial investments, so I monitor my superannuation with a keen eye", he said.

"I've compared the performance of Energy Super with other superfunds, and I'm impressed. My risk strategy is high, but my long term returns are exceeding my retirement saving expectations."

"People often underutilise their superannuation fund. I'm not afraid to call Energy Super with any concerns or to tailor my investment strategy to help me reach my retirement saving goals."

"They deliver results, offer great service and allow flexibility for each individual. I'd recommend them to anyone who is serious about saving for retirement."

Energy Super prides itself on having a solution for every lifestyle and financial goal, however, it can be difficult to know which investment option, or combination of options, is right for you.

Determining your 'investor profile' can assist with determining the best investment strategy for your financial future. Energy Super offers ten different investment options for its members with different levels of risks and returns.

Choosing your investment strategy is not something you have to do yourself. To find out more about Energy Super's ten investment options and how to maximise your investment returns, visit [energysuper.com.au](http://energysuper.com.au) or call us on **1300 4 ENERGY** (1300 436 374).

WE'RE HERE TO  
HELP YOU WITH THE  
INFORMATION AND  
ADVICE YOU NEED  
TO SECURE YOUR  
FINANCIAL FUTURE.





THE GUIDING PRINCIPLES FOR THE REMUNERATION FRAMEWORK ARE AS FOLLOWS:

- SIMPLICITY
- FAIRNESS
- ALIGNMENT WITH VALUES
- APPROPRIATE RISK BEHAVIOUR
- TRANSPARENCY

# REMUNERATION

The following philosophy applies to the remuneration framework at both an organisational and divisional level of Energy Super. It aims to:

- facilitate the delivery of superior long term results for the business and member and promote sound risk management principles;
- sustain the corporate values and desired culture;
- support the attraction, retention motivation and alignment of the talent we need to achieve our business goals;
- reinforce leadership, accountability, teamwork and innovation;
- be aligned to the contribution and performance of businesses, team and individuals.

## WE PROTECT YOUR PRIVACY

Our privacy policy is available on our website at [energysuper.com.au](http://energysuper.com.au) or by calling **1300 4 ENERGY** (1300 436 374).



## REMUNERATION OF EXECUTIVES

	SHORT-TERM EMPLOYEE BENEFITS \$				POST-EMPLOYMENT BENEFITS \$	
	Director Fees and Salary, including short-term leave	Expense allowance (Quarterly Payment)	Incentive bonus	Non-monetary benefits	Superannuation contributions including salary sacrifice superannuation payments	Superannuation contributions for insurance
<b>YEAR ENDED 30 JUNE 2014</b>						
Petrou, Robyn	237,540	–	34,679	12,501	25,180	437
Hagen, Phillip	169,463	–	–	6,888	22,050	437
Henricks, Robert	68,510	–	–	5,670	6,337	–
Camp, Kevin	24,046	2,556	–	531	13,382	–
Geldard, John	22,586	2,556	–	708	27,548	–
Cox, Richard	34,046	2,556	–	531	3,382	–
Baldwin, Geoffrey	45,673	2,556	–	708	4,461	–
Williamson, Mark	57,092	2,556	–	708	5,517	–
Wilson, Scott	45,673	2,556	–	354	4,461	–
Humphrys, Gary	49,382	–	–	708	4,568	–
Simpson, Peter	48,956	–	–	708	4,406	–
Smith, David	50,241	2,532	–	708	4,596	–
<b>YEAR ENDED 30 JUNE 2013</b>						
Petrou, Robyn	226,748	–	28,514	11,987	22,974	454
Hagen, Phillip	167,178	–	–	6,642	15,046	437
Henricks, Robert	65,629	188	–	5,312	5,924	–
Camp, Kevin	43,752	2,669	–	456	4,178	–
Bird, John	50,055	157	–	380	4,519	–
Geldard, John	36,586	2,669	–	456	11,345	–
Cox, Richard	43,752	2,669	–	456	4,178	–
Williams, Richard	36,335	125	–	380	3,281	–
Baldwin, Geoffrey	43,752	2,669	–	456	4,178	–
Williamson, Mark	44,680	2,009	–	456	4,202	–
Wilson, Scott	38,295	2,504	–	456	3,560	–
Simpson, Peter	4,080	–	–	76	367	–
Smith, David	48,266	2,686	–	456	4,344	–

# WHO MANAGES YOUR MONEY

We partner with some of the world's best investment managers, either through pooled investment vehicles or discrete mandates to help us implement the investment strategy for each investment option. When appointing investment managers, we focus on appointing those that have demonstrated an ability to successfully manage risk and achieve superior returns over the full economic cycle.

We also pay very careful attention to fees, costs and tax including performance fees, to ensure that all our investment managers provide value for money for our members. We regularly monitor the performance of our investment managers with the help of JANA, one of Australia's leading asset consultants, to ensure best-practice investment management and to help us to identify new investment opportunities.

## WHO MANAGES YOUR MONEY (AS AT 30 JUNE)

Manager	Asset class	Investment product	2014 \$,000	2014 %	2013 \$,000	2013 %
AMP Capital Investors Ltd	Alternatives	AMP Australia Pacific Airports Fund No 3	-	-	18,358	0.39%
	Socially Responsible	Responsible Investment Leaders Balanced Fund	18,829	0.35%	13,764	0.29%
Apostle Asset Management Ltd	Alternatives	Loomis Sayles Credit Opportunities Fund	97,572	1.82%	85,991	1.84%
Balanced Equity Management Pty Ltd	Australian Shares	BEM Core Fund	323,677	6.03%	273,943	5.86%
BlackRock Asset Management Australia Ltd	Alternatives	BlackRock Global Ascent Fund	29,654	0.55%	30,227	0.65%
ESI Financial Services Pty Ltd	Shares in Unlisted Entities	ESI Financial Services Pty Ltd	621	0.01%	621	0.01%
	Cash	Energy Super Cash Deposit Fund	97,937	1.82%	112,261	2.40%
		Energy T.D. Cash Enhanced	525,988	9.80%	365,633	7.82%
Franklin Templeton Investments Australia Ltd	Alternatives	Asian Real Estate Fund	15,679	0.29%	20,099	0.43%
Greencape Capital Pty Ltd	Australian Shares	Greencape Fund	206,086	3.84%	199,136	4.26%
Hamilton Lane Co-Investment GP II LLC	Alternatives	Hamilton Lane Co-Investment Fund II L.P.	48,285	0.90%	38,843	0.83%
HarbourVest Partners LLC	Alternatives	Harbourvest Dover Street VII	39,866	0.74%	47,165	1.01%
Harding and Loevner	Internat'l Shares	Global Equity	183,338	3.42%	140,610	3.01%
Hastings Funds Management Ltd	Alternatives	The Infrastructure Fund	231,662	4.32%	220,164	4.71%
Hyperion Asset Management Ltd	Australian Shares	Hyperion Fund	216,731	4.04%	200,692	4.29%
Industry Super Holdings	Alternatives	Industry Super Holdings	569	0.01%	532	0.01%
JCP Investment Partners Ltd	Australian Shares	JCP Core Fund	322,506	6.01%	285,290	6.10%
LaSalle Investment Management (formerly Trinity Funds Management Ltd)	Property	LaSalle Club Investment	42,208	0.79%	38,780	0.83%
	Alternatives	LaSalle Australia Core Plus Fund	51,371	0.96%	52,985	1.13%
		LaSalle TLET Fund	626	0.01%	1,217	0.03%
		LaSalle TOP Fund	-	-	3,180	0.07%
Legg Mason Asset Management Australia Ltd	Australian Shares	Legg Mason Value Fund	211,457	3.94%	174,506	3.73%
Lexington Partners	Shares in Unlisted Entities	Lexington Capital Partners VI-B LP	12,625	0.24%	13,318	0.28%
Longview Partners	Internat'l Shares	Global Equity	253,231	4.72%	192,610	4.12%

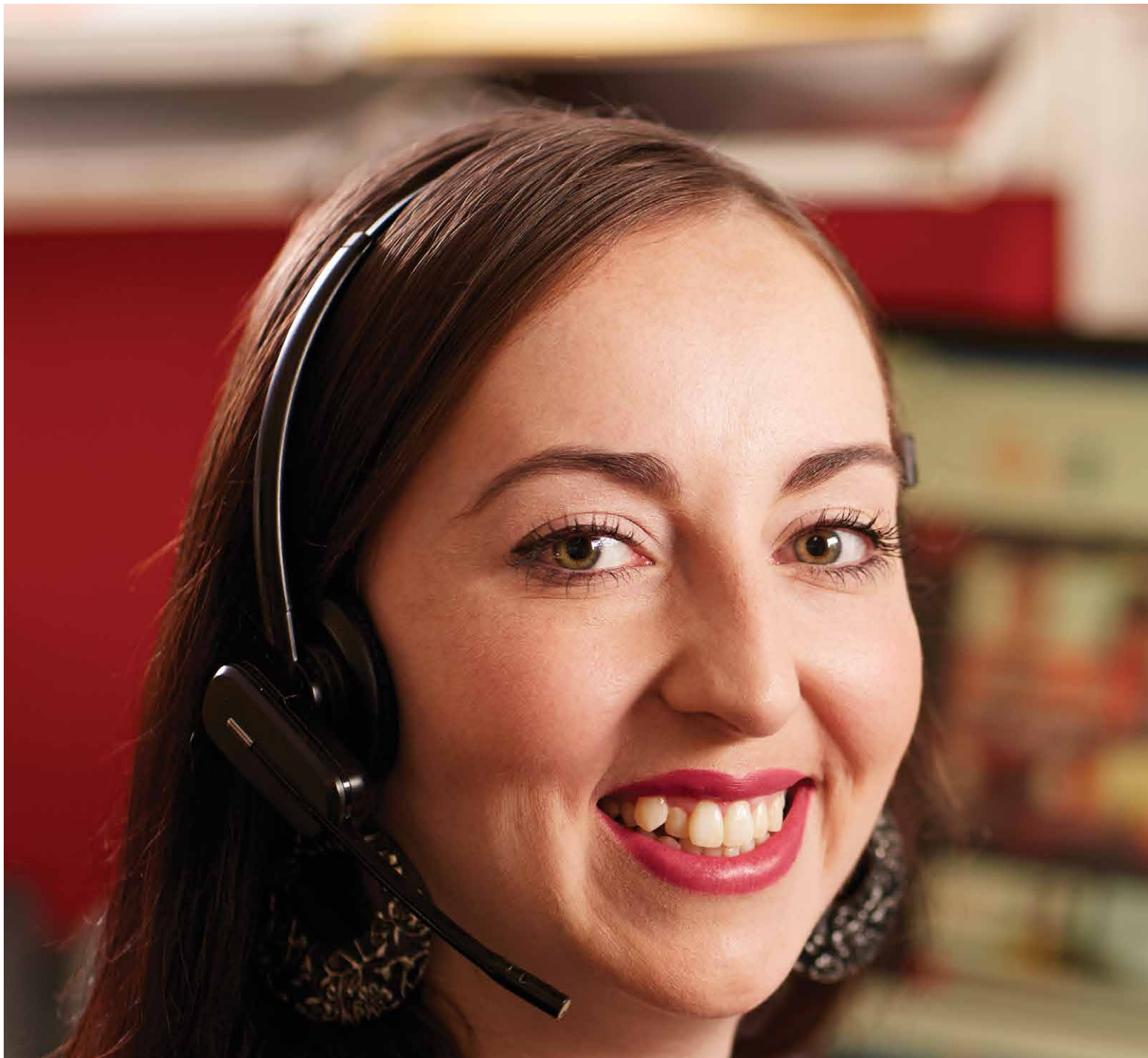
## WHO MANAGES YOUR MONEY (AS AT 30 JUNE)

CONTINUED

Manager	Asset class	Investment product	2014 \$,000	2014 %	2013 \$,000	2013 %
Macquarie Investment Management Ltd	Alternatives	Macquarie Alternative Investment Trust No. 3	7,989	0.15%	9,111	0.19%
		Macquarie Alternative Investment Trust No. 4	9,745	0.18%	10,630	0.23%
Macquarie Specialised Asset Management Ltd	Alternatives	Macquarie Global Infrastructure Fund III	30,980	0.58%	31,851	0.68%
Martin Currie Investment Management Limited	Internat'l Shares	Global Emerging Markets Fund	77,170	1.44%	32,598	0.70%
ME Portfolio Management Pty Ltd	Global Fixed Interest	Industry Funds Management Super Business Loans Trust	5,648	0.11%	6,695	0.14%
Neuberger Nerman Australia Pty Limited	Internat'l Shares	Emerging Markets Equity Trust	81,703	1.52%	72,101	1.54%
Pantheon Ventures LLP	Shares in Unlisted Entities	Pantheon Global Secondary Fund II	2,456	0.05%	2,285	0.05%
Perennial Investment Partners Ltd	Global Fixed Interest	Australian Fixed Interest Fund	180,116	3.36%	166,000	3.55%
PIMCO Australia Pty Ltd	Global Fixed Interest	Global Bond Fund	146,774	2.73%	134,347	2.87%
QIC Ltd**	Australian Shares	QIC Active Small Companies	76,192	1.42%	57,130	1.22%
	Derivatives*	QIC Derivative Passive Overlay – Currency	14,341	0.27%	-22,415	-0.48%
		QIC Growth Overlay	7,557	0.14%	-6,987	-0.15%
	Property	QIC Property Fund	359,356	6.70%	342,803	7.33%
	Alternatives	Queensland Government Office Fund	111,390	2.08%	101,035	2.16%
Cash	QIC Cash Enhanced Fund	427,871	7.97%	410,507	8.78%	
Quay Partners Pty Ltd	Alternatives	Quay Australia No. 2 Fund	2,289	0.04%	2,196	0.05%
		Quay Australia No. 4 Fund	17,583	0.33%	16,659	0.36%
RARE Infrastructure Ltd	Alternatives	RARE Infrastructure Fund	41,386	0.77%	35,153	0.75%
Russell Investment Management Ltd	Alternatives	Russell Global Property Fund 1	45,250	0.84%	52,442	1.12%
Sands Capital	Internat'l Shares	Global Equity	192,959	3.60%	154,604	3.31%
Schroders	Internat'l Shares	Global Equity	365,808	6.82%	279,296	5.97%
Siguler Guff & Company LLC	Alternatives	Siguler Guff Distressed Opportunity Fund III	8,400	0.16%	10,189	0.22%
	Alternatives	Siguler Guff Distressed Opportunity Fund IV	12,357	0.23%	10,028	0.21%
Stone Harbour Investment Partners LP	Alternatives	High Yield Bond Fund	48,080	0.90%	41,717	0.89%
The Private Capital Group Pty Ltd	Alternatives	PCUIII	5,094	0.09%	6,718	0.14%
	Alternatives	TPCGII	1,241	0.02%	1,519	0.03%
T Rowe Price International Ltd	Internat'l Shares	Asia Ex-Japan Fund	68,599	1.28%	60,253	1.29%
Transition account	Internat'l Shares	Residual transition account	51	-	830	0.02%
<b>Investments subtotal</b>			<b>5,278,903</b>	<b>98.35%</b>	<b>4,549,220</b>	<b>97.32%</b>
<b>Other cash</b>			<b>53,661</b>	<b>1.00%</b>	<b>34,816</b>	<b>0.74%</b>
<b>Other assets subtotal</b>			<b>34,808</b>	<b>0.65%</b>	<b>90,556</b>	<b>1.94%</b>
<b>TOTAL ASSETS</b>			<b>5,367,372</b>	<b>100%</b>	<b>4,674,592</b>	<b>100%</b>

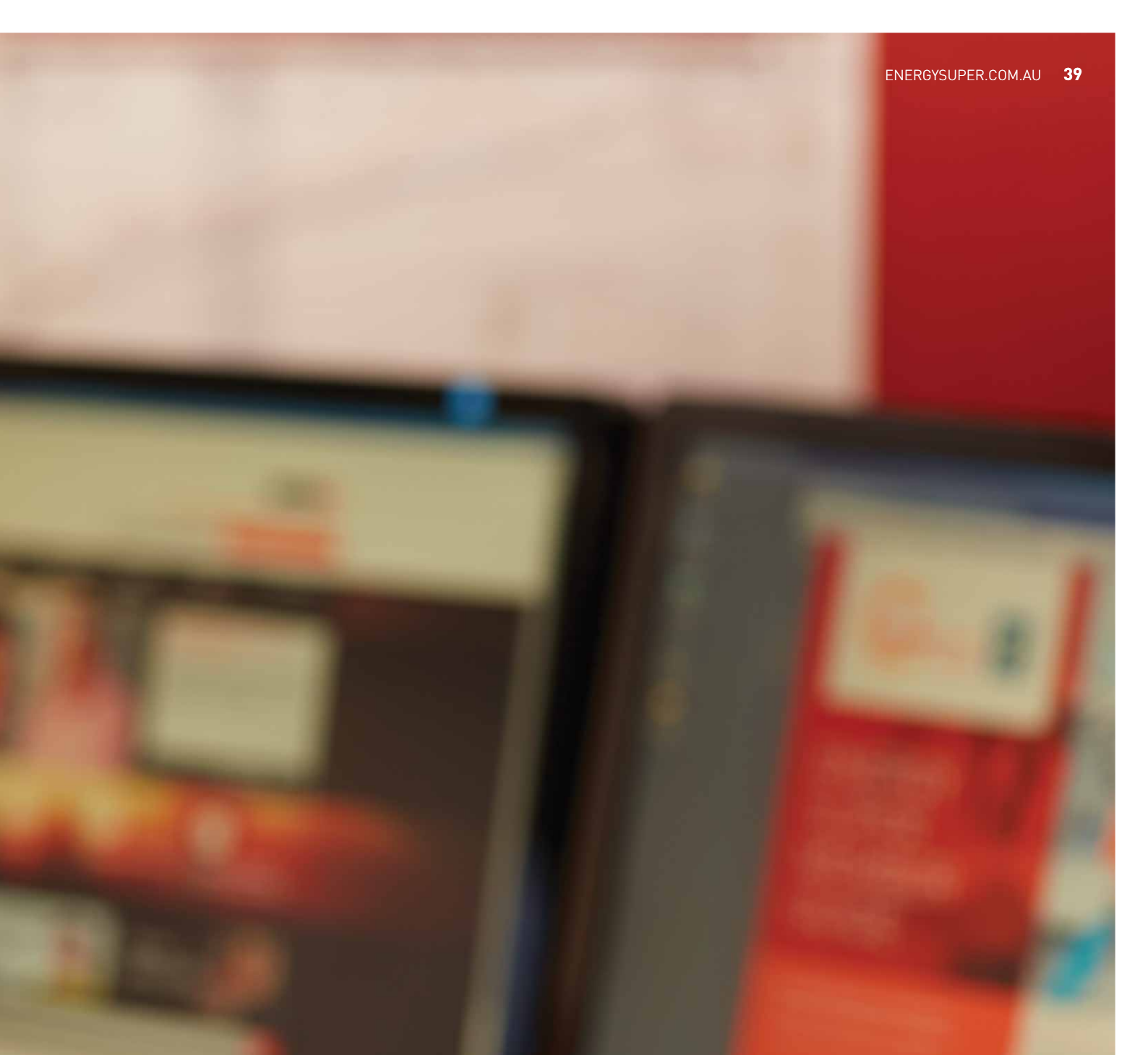
\* See Policy on Derivatives on page 11. \*\* QIC Ltd use various risk management products. Some of the products hedge against variations in currency.





MICHELLE LAURENSAN  
- *Helpline Consultant*





**WE'RE COMMITTED TO PROVIDING  
OUR MEMBERS WITH SOUND  
FINANCIAL ADVICE SO YOU CAN ENJOY  
PEACE OF MIND AND ACHIEVE YOUR  
FINANCIAL GOALS ON YOUR TERMS.**

# OUR FEES & COSTS

As a 'profit for members' industry fund, we remain committed to keeping our fees and costs as low as possible to help you maximise your retirement savings.

While there were some increases to fees during the year, our administration fees (fixed plus percentage-based) remain unchanged at \$1 per week plus 0.22% p.a. of your account balance capped at \$2,200 p.a. for any member including all your linked accounts.

These fees and costs may be deducted directly from your account, indirectly from the returns on your investment or from the Fund's assets as a whole.

## Fees and management costs deducted from your account

The fees and costs that may have been deducted from your account during the year include a fixed administration fee of \$1 per week (\$52 per annum) and transaction based fees and costs.

These fees and costs are discussed in more detail on the following page and will be listed in your Annual Statement.

## Other management costs not deducted from your account

The table on the right sets out the administration and investment costs that were deducted from the option's investment earnings before they were credited to your account, shown as a percentage of the assets in each Investment option. These percentages are called Indirect Cost Ratios (ICRs) and can be used to estimate the other management costs that applied to your account during the year.

## Performance fees

For some investment managers, we have agreed to pay performance fees (which are included in the Indirect Cost Ratio (ICR)\*) for investment performance that exceeds certain targets. As at 30 June 2014, these agreements apply to managers in the Growth Alternatives, Australian Shares, Defensive Alternatives, International Shares and Property asset classes.

## DEFINED BENEFIT MEMBERS

We take out the fees and taxes associated with providing your benefits, such as administration fees, investment management fees and investment earnings tax, before we work out your net effective earning rate. If you have made additional contributions or have 'rolled over' amounts into Energy Super during the year, these are treated as Defined Contribution benefits and the fees and taxes outlined above will apply.

## DEFINED CONTRIBUTION, INCOME STREAM AND MARKET LINKED PENSION MEMBERS

### Deductions from investment earnings

During the year, we deducted the following from the investment earnings of each investment option before working out the crediting rates:

- Other management costs (percentage-based administration fees and investment management fees including performance fees)
- tax on investment earnings (if applicable). You can estimate the 'Other management costs' that applied to your account for the year by multiplying your average account balance in each investment option by the ICRs in the table.

There is also an estimate of your 'Other management costs' on your Annual Statement so that you can compare our costs to any other super funds that you may have.

The performance of our investment options shown on page 9 is net percentage-based administration fees, investment management fees and tax on investment earnings.

## Deductions made from members' accounts

Each year, deductions are made from members' accounts to meet the costs associated with running Energy Super and to pay Government fees and taxes. For the year to 30 June 2014 these costs included the following:

- \$1 per week fixed administration fee (\$52 p.a. per member account) is deducted monthly in arrears (or when the member closes the account).
- a \$28 switching fee applies when members change investment options. It is deducted from the account at the time of the switch. The first switch each financial year is free.
- a \$40 family law information request fee will apply for providing information to a non-member spouse. This fee must be paid when the request for information is made.
- a \$135 family law split fee will apply where superannuation entitlements have to be split under Family Law legislation. This amount is deducted equally from the member account and the spouse's interest at the time of the split.
- an international transfer fee will apply when an external service provider is engaged to help transfer superannuation monies from other countries into Energy Super. Indicative cost is between \$300 and \$400 per transfer.
- an exit fee of \$65 is deducted from your account at the time you exit the Fund. This fee is not applicable when transferring between Energy Super products.
- a withdrawal fee of \$100 applies to Income Stream members for withdrawals under \$5,000.
- a 15% provision for the Government's contributions tax is deducted from

employer contributions, salary-sacrificed contributions and voluntary contributions for which a tax deduction is claimed. Tax is deducted when adding these contributions to a member's account.

- insurance costs are deducted monthly in arrears from members' accounts. The amount depends on what insurance cover they have.

### Superannuation contributions surcharge

Superannuation contributions surcharge is an additional tax that may be applied to employer contributions, eligible termination payments and before-tax contributions (like salary sacrifice) received between 1996 and 30 June 2005. While this surcharge rate was reduced to zero from 1 July 2005, we are still receiving Australian Taxation Office (ATO) surcharge assessments relating

to contributions and eligible termination payments made before 1 July 2005. We will process all ATO assessments that we receive as quickly as possible.

**For Defined Benefit members,** any surcharge amount that we pay to the ATO on your behalf is offset against your defined benefit, and this Surcharge Offset will accumulate with interest at the Three Year Average crediting rate in a Surcharge Offset.

The balance of this Surcharge Offset is then deducted from your benefit at the time it is paid.

If you have sufficient funds in your Defined Contribution account to pay the surcharge, you can request to have this debt cleared as at 30 June each year. Alternatively, you can elect to transfer to a Defined Contribution account at any time. This can only be done at 30 June each year because the crediting rate

of the Three Year Average investment option is declared annually.

**For Defined Contribution members,** any surcharge assessment is debited from your account and paid directly to the ATO.

If we receive a surcharge assessment for you after you've exited Energy Super, or if you only have an Energy Super Income Stream or Pension account, we will return it to the ATO. The ATO will either forward it to the fund to which your benefit was paid or directly to you if the benefit was, or is, being paid to you.

### Offsetting your surcharge liability

You can pay us a contribution equal to the amount of the surcharge (plus any interest accrued at the Three Year Average crediting rate) accumulated in your Surcharge Offset Account. Your Annual Statement will show any surcharge assessments that were received during the financial year.

## INDIRECT COST RATIOS\* FOR 2013/14

Investment option	Administration fee <sup>^</sup>	Base investment management fees as a % of assets <sup>#</sup>	Investment performance fees as a % of assets <sup>#</sup>	Total management cost as a % of assets
Cash Deposit	0.22	0.07	0.00	0.29
Cash Enhanced	0.22	0.11	0.00	0.33
Stable	0.22	0.36	0.07	0.65
Capital Managed	0.22	0.40	0.09	0.71
Balanced	0.22	0.48	0.15	0.85
MySuper	0.22	0.48	0.15	0.85
SRI Balanced	0.22	0.84	0.00	1.06
Growth	0.22	0.53	0.17	0.92
Australian Shares	0.22	0.34	0.12	0.68
International Shares	0.22	0.48	0.25	0.95
Smoothed Return	0.22	0.48	0.15	0.85
Capital Guarantee	0.22	0.48	0.15	0.85

\*The Indirect Cost Ratio (ICR) is the amount of other management costs, expressed as a percentage of the assets in each Investment option that were deducted from the option's investment earnings before they were credited to your account. <sup>^</sup>In addition, a fixed administration fee of \$1 per week is deducted from your account.

<sup>#</sup>Past performance fees are not a reliable indicator of the extent of future performance fees that may be payable.





MADELAINE HOLMES  
– Associate Adviser

BEN INGHAM  
– Associate Adviser

**TAKING CHARGE OF YOUR SUPER  
AND CHOOSING THE RIGHT  
INVESTMENT OPTION NOW CAN  
REALLY MAKE A DIFFERENCE TO  
ACHIEVING YOUR RETIREMENT GOALS.**

# FINANCIAL STATEMENTS

The following summary is taken from Energy Super audited accounts for the year ended 30 June 2014. The Annual Financial Report containing the Audited Accounts and Auditors Report for the 2013/14 year can be obtained on request by contacting Energy Super.

STATEMENT OF NET ASSETS AS AT 30 JUNE 2014			STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2014		
	2014 \$ '000	2013 \$ '000		2014 \$ '000	2013 \$ '000
<b>Investments</b>			<b>Net Assets Available to Pay Benefits at 1 July</b>	4,001,545	4,001,545
Cash and cash equivalents	677,586	512,710	<b>Investment Revenue</b>		
Units in unlisted unit trusts and mandates	4,444,142	3,915,931	Interest	21,493	23,093
Shares in unlisted entities	188,938	184,797	Distributions from unit trusts	154,335	169,652
Derivative financial assets	21,898	-	Movement in net market value of Investments	477,104	431,311
Derivative financial liabilities	-	(29,402)	Other	862	826
	<b>5,332,564</b>	<b>4,584,036</b>	Direct Investment expenses	(12,051)	(11,970)
<b>Other assets</b>				<b>641,743</b>	<b>612,912</b>
Contributions receivable	16,493	15,028	<b>Contributions Revenue</b>		
Trade and other receivables	17,248	73,279	Employer	292,562	284,097
Other assets	532	508	Member	64,352	53,270
Plant and equipment	535	548	Co-Contributions	162	569
Current tax asset	-	1,193	Transfers from other funds	70,332	66,565
	<b>34,808</b>	<b>90,556</b>		<b>427,408</b>	<b>404,382</b>
<b>Total assets</b>	<b>5,367,372</b>	<b>4,674,592</b>	<b>Other Revenue</b>		
<b>Liabilities</b>			Proceeds from group life insurance policies	9,630	8,674
Benefits payable	5,511	4,989		<b>9,630</b>	<b>8,674</b>
Trade and other payables	12,515	8,182	<b>Total Revenue</b>	<b>1,078,781</b>	<b>1,025,968</b>
Provisions	200	200	<b>Benefits Paid</b>		
Current tax liability	4,369	-	Benefits paid	299,478	264,684
Deferred income taxes	54,572	21,783	<b>General Administration Expenses</b>		
<b>Total liabilities</b>	<b>77,167</b>	<b>35,154</b>	General admin. expenses	19,875	18,051
<b>Net assets available to pay benefits</b>	<b>5,290,205</b>	<b>4,639,438</b>	Group life and income protection premiums	38,711	34,495
				<b>58,586</b>	<b>52,546</b>
			<b>Total Expenses</b>	<b>358,064</b>	<b>317,230</b>
			<b>Net Change for the year before income tax</b>	-	708,738
			Income tax expense	69,950	70,845
			<b>Net Change for the year after income tax</b>	<b>650,767</b>	<b>637,893</b>
			<b>Net Assets Available to Pay Benefits at 30 June</b>	<b>5,290,205</b>	<b>4,639,438</b>

The Statement of Net Assets should be read in conjunction with the notes to the Financial Statements. A full copy of the financial statements can be found at [energysuper.com.au/why-join-us/about-our-fund/fund-governance](http://energysuper.com.au/why-join-us/about-our-fund/fund-governance)

The Trustee believes that all contributions received up to 30 June 2014 have been allocated to member accounts. However, it is suggested that members check their Annual Statements carefully.

If you have any reason to believe that all contributions due have not been made, please discuss the matter with your employer. If you cannot resolve the matter with your employer please contact Energy Super.

The Statement of Changes in Net Assets should be read in conjunction with the notes to the Financial Statements. A full copy of the financial statements can be found at [energysuper.com.au/why-join-us/about-our-fund/fund-governance](http://energysuper.com.au/why-join-us/about-our-fund/fund-governance)

# FINANCIAL STATEMENTS [CONTINUED]

## OPERATIONAL RESERVE ACCOUNT

We use an operational reserve account to manage the Fund's expenses. Energy Super allocates to the operational reserve account:

- earnings on contributions received before they are credited to your accounts (or returned); and
- amounts deducted from your account such as administration fees, contributions tax and insurance costs; and from investment earnings including anticipated tax.

The Fund uses this operational reserve account to pay tax, insurance premiums, the administrator's fees and other Fund expenses.

The investment objective in relation to the operational reserve account is to invest in low risk assets, such as term deposits, to generate an investment return while ensuring there is sufficient liquidity to meet the Fund's liabilities.

We use an external fixed income specialist to manage the investment strategy of our operational reserve account. The account balance of all the reserves held by the Fund, including the operational risk reserve described below, at 30 June 2014 was \$36,995,040. As at 30 June 2013 it was \$24,851,900 and as at 30 June 2012 it was \$49,149,908. The decrease in the reserve account balance between 30 June 2012 and 30 June 2013 is due to variances in the amount and the timing of the Fund's taxation expenses at the end of each financial year.

## OPERATIONAL RISK RESERVE

From 1 July 2013, the Fund also maintains an operational risk reserve to comply with prudential requirements to have adequate financial resources to address losses arising from operational risks within its business operations. Potential losses arising from operational risks include incorrect benefit payments

due to human or system error, unit pricing error, and loss of data. The operational risk reserve is separate from the member's investment portfolio and separate from other reserves.

## ELIGIBLE ROLLOVER FUND

If you are an inactive or lost member, and your balance falls below \$1,000, your super may be transferred to an Eligible Rollover Fund (ERF). You are considered an inactive member if you join Energy Super as an employee and:

- we don't receive any contributions or rollover amounts for five years; and
- you don't notify us that you wish to remain a member.

You are considered a lost member if you haven't supplied your mailing address to us or mail sent to your last known address has been returned to us.

Our ERF is the Super Money Eligibility Rollover Fund (SMERF) and you can contact them directly to claim your benefit or receive a product disclosure statement:

### SMERF

**Phone: Freecall 1800 114 380**

**Email: smerf@diversa.com.au**

If your super is transferred to the ISPF, you stop being a member of Energy Super and you will lose all

member entitlements, including insurance cover and subsidised financial advice. By becoming a member of ISPF, you will be subject to the rules associated with this fund.

## TEMPORARY RESIDENTS

Relying on relief from ASIC, we are not required to notify you or give you an exit statement if you are a non-resident when we pay unclaimed superannuation to the Commissioner of Taxation under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999.

This Act requires us to transfer your super benefit to the Australian Tax Office (ATO) if your temporary resident visa has expired or has been cancelled for at least six months, and it has been at least six months since you left Australia.

If we transfer your super to the ATO, you stop being a member of Energy Super and you will lose all member entitlements, like insurance cover and discounted financial advice.

You can apply to the ATO under Division 4 of Part 3A of the Act to have your unclaimed super benefit paid to you using the ATO's Application for payment of unclaimed superannuation money – individual form, which is available at [ato.gov.au](http://ato.gov.au)

## NO COMMISSIONS, SIMPLY QUALITY TAILORED FINANCIAL ADVICE

At Energy Super we're here solely to benefit members. Our dedicated team of expert financial advisers provide advice that's in the best interests of our members.

We don't remunerate or incentivise staff for providing referrals or meeting sales targets to other divisions within the business. Product recommendations are never linked to commissions.

For more information visit [energysuper.com.au](http://energysuper.com.au) or call **1300 4 ENERGY** (1300 436 374).



# AT ENERGY SUPER, WE'RE HERE TO HELP

If you've got a question, feedback or would like some advice on how to make the most of your super please call us on **1300 4 ENERGY** (1300 436 374).

## HAVE A COMPLAINT?

If you're unhappy with the services offered by Energy Super, please contact us and we'll address your concerns promptly and fairly.

If you have a complaint, you can:

**Phone us:**  
**1300 4 ENERGY** (1300 436 374)

**Email us:**  
info@energysuper.com.au

**Fax your written complaint to:**  
(07) 3229 7523

**Mail your written complaint to:**  
Complaints Officer  
Energy Super  
GPO Box 1006  
Brisbane QLD 4001

**See us in person at:**  
Level 8, 100 Creek Street  
Brisbane QLD 4000

If we're not able to respond immediately, we will investigate your complaint and write to you advising of the outcome within 90 days.

If you're not satisfied with our response, you may be able to take your complaint further by lodging it with the Superannuation Complaints Tribunal (SCT).

The SCT is an independent body set up by the Federal Government to consider certain superannuation-related complaints from members, former members and their beneficiaries.

The SCT can consider complaints about the decisions and conduct of the trustees of most superannuation funds, the conduct and decisions of people acting on behalf of the trustee and the decisions of insurers in relation to insurance benefits provided through superannuation funds.

You can contact the SCT by:

**Phone:** 1300 884 114

**Email:** info@sct.gov.au

**Mail:** Superannuation  
Complaints Tribunal  
Locked Bag 3060  
Melbourne VIC 3001





## **Energy Super**

Level 8, 100 Creek Street  
Brisbane QLD 4000  
PO Box 1958, Milton QLD 4064

**T** 1300 4 ENERGY (1300 436 374)

**F** (07) 3229 7523

**E** [info@energysuper.com.au](mailto:info@energysuper.com.au)

**W** [energysuper.com.au](http://energysuper.com.au)



Electricity Supply Industry Superannuation (Qld) Ltd (ABN 30 069 634 439 AFSL 224952) is the Trustee and issuer of Energy Super (ABN 33 761 363 685). A Product Disclosure Statement (PDS) is available from [energysuper.com.au/pds](http://energysuper.com.au/pds) or by calling 1300 4 ENERGY (1300 436 374). Any advice contained in this Annual Report is general in nature and not specific to your particular circumstances. You should consider your financial situation before acting on the advice.

Financial advice is provided by ESI Financial Services Pty Ltd (ABN 93 101 428 782, AFSL 224952), a wholly owned subsidiary of Energy Super.