

## 2009 Annual Report

**Freecall Helpline**  
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[www.lutheransuper.com.au](http://www.lutheransuper.com.au)

Issued by LCA Nominees Pty Ltd  
ABN 61 008 204 939 as Trustee of Lutheran Super  
ABN 93 371 348 387.



## What's inside

- 2 Market and economic conditions December 2009 year
- 3 Super news
- 6 Your investment options
- 7 Lutheran Super's investment performance
- 14 Fees and charges
- 17 Getting to know your Fund
- 19 Questions about your superannuation?
- 20 Financial summary

## Welcome to Lutheran Super's Online Annual Report for the year ending 31 December 2009.

This is the second year that the Trustee has provided this report online via our website to enable the Fund to play its part in promoting an environmentally conscious approach to saving resources. The Fund also saves in printing and postage costs – and that benefits all members. If you wish to receive a printed copy of this report free of charge, simply call our Helpline on 1800 635 796.

After a shaky start following the Global Financial Crisis, the year to 31 December 2009 saw a strong recovery in worldwide investment markets. Markets rebounded in March 2009 and ended the year significantly higher than in 2008.

As the Australian economy continues to recover, it is a suitable time to remind ourselves of the long-term nature of investing in super.

The Fund continues to look to provide the benefits that you currently enjoy in the most cost-efficient manner possible. In early 2009, we wrote to employers informing them of an initiative to streamline the transfer of contributions from employers to Lutheran Super.

The two options made available to employers, Spectrum and Employer Online, were provided free of charge and gave employers access to an efficient and secure method of remitting contributions.

These options also reduced the amount of paperwork for employers and importantly ensured prompt and accurate investment of money for members.

The response from employers was nothing short of outstanding. The commitment from employers to use these e-commerce methods also has the joint benefit of Lutheran Super being able to contain the costs involved in administering the fund. A win-win for all concerned!

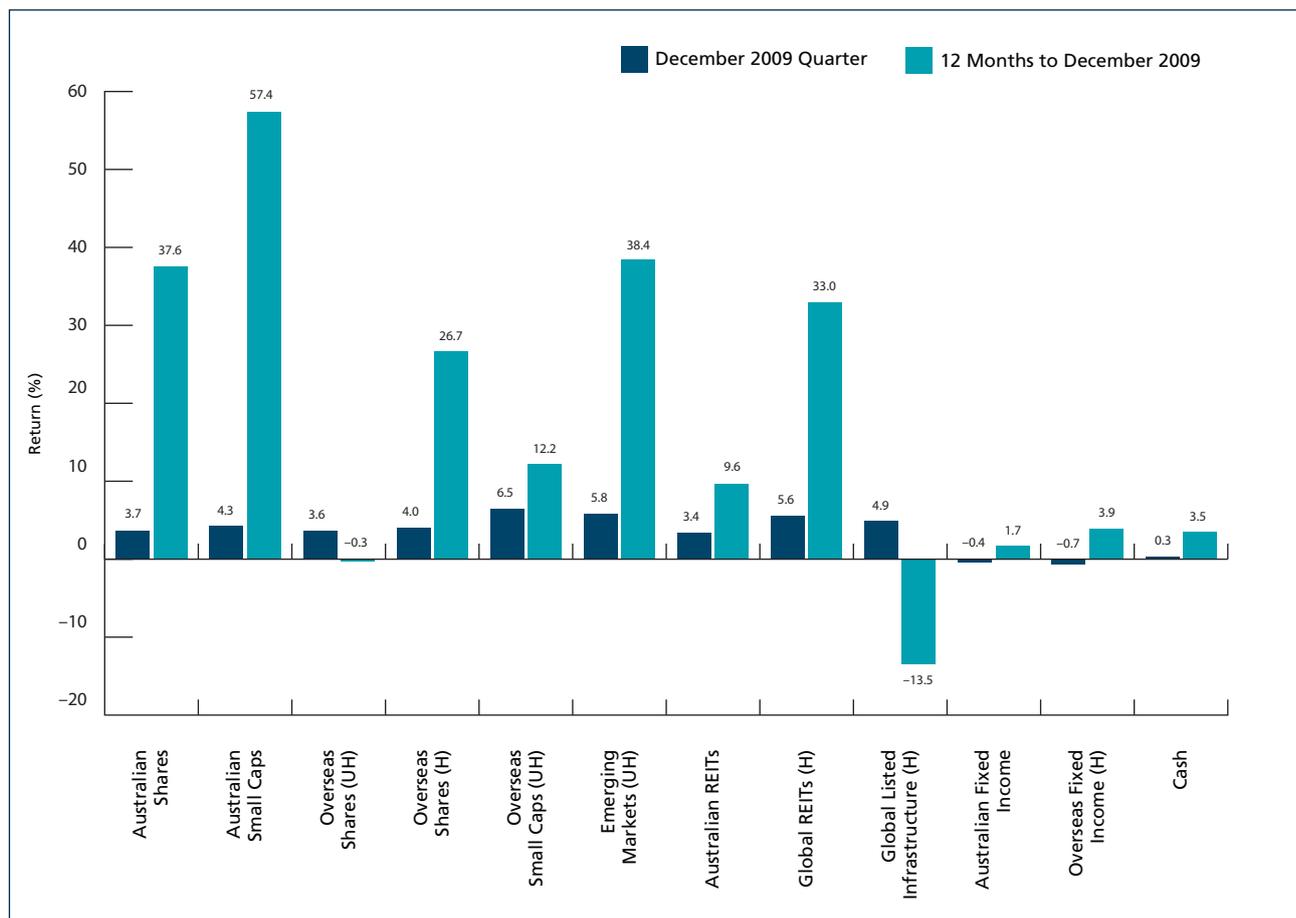
Please take the time to read the information in this report and to review your super to ensure that you are making the most of what Lutheran Super has to offer. Remember, Lutheran Super is your Fund and as a member, you're valued.



**John Grocke**  
Chairman

# Market and economic conditions December 2009 year

## Asset class returns



Data source: Thomson Financial Datastream; MSCI. Data provided 'as is'.

After a shaky start to the year, the year to 31 December 2009 saw a strong turnaround in global investment markets. Markets bounced back in March 2009, and finished the year substantially higher after the market declines in 2008.

Australian investments, excluding listed property trusts, significantly outperformed their global peers. Australian Real Estate Investment Trust's (REIT's) also lagged behind global counterparts.

The Australian dollar appreciated strongly against all major currencies, which had a strong influence on investment returns for overseas assets. Fixed income and cash products became less popular with investors, as their appetite for risk increased.

Government stimulus packages and aggressive interest rate cuts were introduced around the world, which helped restore consumer confidence and improve market liquidity. From the second quarter, economic data from the US, Europe and Australia was largely positive. This positive data, coupled with better than expected corporate results, and a strong recovery in emerging markets saw confidence of a global economic recovery take hold, which drove rallies in commodities and risk assets.

Overall, global bond returns rose during the year, and there was an unprecedented amount of bond issuance. This stemmed from higher government spending, and expectations that major developed markets were beginning to transition from monetary easing to tightening.

If you are comparing the Fund's returns to other funds, please make sure that you are comparing returns for the same period. The returns quoted in this report are for the year ending 31 December 2009 where many other super funds may have a 30 June year end and performance can vary significantly. You should also keep in mind that the returns of the Fund may not be the actual returns received by you. This is because your actual returns may be affected by the timing of your contributions, investment switches and withdrawals.

Past performance is not indicative of future performance, so care should be taken when reading this information.

# Super news

## Various Government reviews

The Government has initiated a number of reviews to receive community feedback on tax and superannuation issues.

From a superannuation point of view, two of the most important reviews are:

- the “Henry” review – the review of the taxation system. The review panel lodged its final report with the Government prior to Christmas 2009 and the Government released the final report on 2 May 2010
- the “Cooper” review – the review of the superannuation system. This review panel is not expected to issue its final report until mid 2010.

These reviews may lead to some changes in the way superannuation works. The Government has already made some changes to the age pension and pension bonus scheme (see below) based on the “Henry” review panel’s preliminary report.

## Co-contributions still valuable despite temporary reduction

The Government has temporarily reduced its popular **superannuation co-contribution**, a payment available to low income and some middle income Australians. Even though the amount of the co-contribution has been reduced, it is still a valuable benefit, which may increase your super savings.

From 1 July 2009 until 30 June 2012, the Government will contribute \$1 for each \$1 contribution you make from your after-tax income. The maximum co-contribution will be \$1,000 a year if your income\* is less than \$31,920 a year. The co-contribution reduces gradually for those earning up to a maximum of \$61,920.

The Government has also advised that co-contributions are expected to increase to \$1.25 for each \$1 member contribution (maximum \$1,250) from 1 July 2012, and then revert back to the previous level of \$1.50 for each \$1 member contribution (maximum \$1,500) from 1 July 2014.

\* Your income includes your assessable income, reportable fringe benefits and, from 1 July 2009, your reportable employer superannuation contributions.

## Reportable employer superannuation contributions

From 1 July 2009, employers will be required to report details of employees’ reportable employer superannuation contributions. This will be shown on a payment summary given to you by your employer each year so that you can include it in your tax return.

Generally, your reportable employer superannuation contributions will include any non-compulsory contributions that would otherwise have been income (e.g. salary sacrifice contributions) and any voluntary employer contributions over which you have some influence.

Even though you will need to show this figure in your tax return for the year ending 30 June 2010 (and subsequent years going forward), it will not form part of your taxable or your assessable income for income tax purposes. However, it may impact on your eligibility for a number of tax offsets and other benefits which are subject to income tests. It may also increase your obligations to pay the Medicare Levy surcharge and to make Child Support payments.

For example, your reportable employer superannuation contributions will be taken into account in assessing your eligibility for various benefits including Government superannuation co-contributions, the eligible spouse superannuation contribution tax offset, the Low Income Tax Offset, Mature Age Worker Tax Offset and Family Tax benefits.

## Reductions in concessional contribution limit

The amount of concessional contributions that can be paid towards your super at the concessional tax rate of 15% has been reduced to \$25,000 per annum for those who are under age 50 at the end of the 2009/2010 financial year, and \$50,000 for those aged 50 years and over. The new limits apply from 1 July 2009. The higher limit for those over aged 50 years and over will only apply until 30 June 2012.

*Concessional contributions* include any contributions made by your employer, salary sacrifice contributions, and for those who are self-employed, any contributions for which you are able to claim a tax deduction. Certain other less common contributions are also treated as concessional contributions. You can see a list of these on the Australian Taxation Office’s (ATO) website, [www.ato.gov.au](http://www.ato.gov.au).

An additional tax of 31.5% (more in some cases) will apply to any contributions in excess of the new limits. You can avoid this additional tax by monitoring the contributions being paid for you and adjusting these where necessary or possible.

The limit of \$150,000 a year for **non-concessional contributions** has not been changed. This includes any contributions you make from your after-tax income as well as some less common types of contributions. If you are under age 65 at the start of the financial year, you may be able to contribute up to \$450,000 in a year provided that your non-concessional contributions plus those in the following two years do not exceed \$450,000.

An additional tax of 46.5% (more in some cases) will apply to any contributions in excess of these limits. To avoid this additional tax, it’s advisable to keep an eye on your non-concessional contributions throughout the year and adjust these where necessary.

## Payment of excess contributions tax

Most members will not exceed the above concessional and non-concessional contribution limits. However, if you do, the ATO will send you a special tax assessment together with a release authority which you will be able to give to your super fund to authorise it to pay the tax on your behalf. Your super fund can only do this from an accumulation account in your super fund (it cannot be paid from any defined benefits that you might have).

If your assessment is for excess *concessional* contributions tax, you will only have 90 days to give your release authority to your super fund if you want it to pay the tax to the ATO – or reimburse you for any tax if you have paid it yourself. It is not compulsory to arrange for your super fund to pay this tax.

If your assessment is for excess *non-concessional* contributions tax, you will receive a “compulsory release authority” which you **must** provide to your fund within 21 days so that your fund can pay the tax or reimburse you.

If you receive an assessment, you will need to read it carefully to understand the actions you must take and the timeframes that must be met.

## Changes in rules for the Government’s age pension

The Government has increased the age at which people can become eligible for the age pension to age 67. However, this will not apply until 1 July 2017 (and will be phased in over a period of years to reach 67 by 2023).

Previously men were eligible (subject to the means tests) from age 65. Women were also eligible from age 65 although those born before 1 January 1949 were eligible from an earlier age which was being phased up to age 65.

This change will not affect men and women who were born before 1 July 1952. If you were born after 31 December 1956, you will not be eligible for the age pension until age 67.

If you intend retiring before the age you become eligible for the age pension, your super is now even more important as, unless you change your retirement plans, you may now need to rely on your super for up to two extra years before you might qualify for the age pension.

The following table sets out the new eligibility ages in more detail:

Born	Women eligible for age pension at age	Men eligible for age pension at age
From 1 January 1946 and 30 June 1947	64	65
From 1 July 1947 and 31 December 1948	64.5	65
From 1 January 1949 to 30 June 1952	65	65
From 1 July 1952 to 31 December 1953	65.5	65.5
From 1 January 1954 to 30 June 1955	66	66
From 1 July 1955 to 31 December 1956	66.5	66.5
From 1 January 1957	67	67

The Government has also replaced the previous pension bonus scheme, which was available to those who continued working past the pension eligibility age. (It will continue to apply to those already participating in the scheme). A new and much simpler scheme has been introduced under which only part of your employment income will be counted when working out your eligibility for the age pension. This will encourage people to continue working after reaching the eligibility age for the age pension.

## Important – changes to rules on super for temporary residents and former temporary residents

As indicated in last year’s *Super News*, the Government has made a number of changes to the treatment of superannuation for members who are, or have previously been, temporary residents of Australia. The changes can have a significant effect on temporary and former temporary residents.

The changes do not apply to members who are Australian or New Zealand citizens, permanent residents or holders of a Subclass 405 (Investor Retirement) or Subclass 410 (Retirement) visa. If you do not fit into these exempt classes and you hold or have held a temporary visa (other than a Subclass 405 (Investor Retirement) or Subclass 410 (Retirement) visa) in the past, the following changes will apply to you.

If you have left Australia, the ATO will require your superannuation fund to transfer any superannuation benefit to the ATO unless you have claimed it from the fund. This will not occur until at least six months after the later of your departure from Australia and the date your visa ceased to have effect. The ATO will not require the transfer if it is aware that you have lodged a valid application for permanent residency. The first transfers occurred in June 2009.

If you have not left Australia, you will not be able to receive a benefit in cash on reaching age 65, retiring from employment after age 60, permanent retirement after age 55, or on financial hardship or compassionate grounds (unless you have become an Australian citizen or New Zealand citizen or a permanent resident). You will generally only be entitled to cash your benefit, following the deduction of the required tax\*, after you have left Australia and your visa has ceased to have effect. You will no longer be able to leave your benefit in the Fund until age 60 and then take it tax-free. You will also generally not be able to take any type of pension from the Fund.

Payments on account of death, permanent incapacity and terminal medical condition may still be possible if these occur before transfer to the ATO.

If you leave Australia and your benefit is transferred to the ATO, you will lose any insurance cover you might have in the Fund. Further, whilst the ATO will maintain an account for you, it will generally not add interest to your account. You will be able to claim it any time subject to the deduction of tax\* from the taxable component.

If your benefit is transferred to the ATO in these circumstances, you have the right to apply to the ATO to claim your benefit. If you need assistance to prove to the ATO that you are entitled to that benefit, please contact the Helpline on 1800 635 796.

In most cases, the Trustee is required to provide a member with an exit statement when their benefit has been paid out of the Fund. However, the Australian Securities and Investments Commission has provided trustees with relief from this requirement where benefits are paid to the ATO in these circumstances. This relief has been granted because most temporary residents do not advise the Trustee of their address details after they have left Australia. The Trustee intends to rely on this relief. This means that the Trustee is not obliged to notify or give an exit statement to a non-resident where a benefit has been transferred to the ATO in these circumstances.

\* The tax rates that apply to super payouts paid to a temporary resident who has left Australia are higher than those which apply to permanent residents or Australian or New Zealand citizens.

## Same-sex relationships

The Government has passed legislation that removes some discrimination against same-sex couples. The main impacts are as follows:

### Death benefits

Same-sex spouses, together with children of a de facto spouse, can now be considered as potential beneficiaries of any death benefits. Previously they could only be considered if they were financially dependent on or had an interdependency relationship with the deceased. If you have a same-sex spouse, you may wish to review any death benefit nominations you have made to take these changes into account.

### Contribution splitting

Generally, up to 85% of your concessional contributions in the previous year (or current year if exiting the fund) or the concessional contributions cap for that financial year (whichever is the lesser) can be transferred to the superannuation account of your spouse. You can now split contributions made on or after 1 July 2008 with a same-sex spouse.

### Spouse contribution tax offset

You can claim a tax offset for after tax contributions you make directly to your spouse's superannuation account. You may be able to claim an 18% tax offset on contributions of up to \$3,000. The maximum rebate is \$540 a year. The rebate phases out if your spouse earns over \$10,800 a year (including reportable fringe benefits and reportable employer superannuation contributions) and ceases if your spouse's income exceeds \$13,800. From 1 July 2009, you will generally be able to claim these tax offsets in respect of contributions you make for a same-sex spouse.

## Need some up to date information? Visit the Lutheran Super website

The website's new look is only the tip of the iceberg. Get under the skin of the website and you'll find a wealth of resources to help you navigate through the technical, and sometimes daunting, world of super. With the Lutheran Super website, you're able to:

- check the historical performance of investment options
- gain access to your account balances at any time
- check and update your personal details including nominated dependant details
- obtain information about the Fund's benefits
- check your regular employer contributions
- obtain general information about superannuation
- gain general financial and planning information, and
- map out your very own financial plan through **Wealth Manager\***, and much more.

Visit [www.lutheransuper.com.au](http://www.lutheransuper.com.au) and tell us what you think of the site. We'd love to hear from you.

\* Check out page 6 for more information on Wealth Manager

## Make an educational investment in your financial future

### ***Wealth Manager* is that educational investment!**

**Wealth Manager** is an interactive and automated personal financial planning tool. It can help you understand where your finances are headed and what you might need to do to fund your lifestyle plans for the future.

In just minutes, *Wealth Manager* can help you discover in an easy step-by-step way:

- how much money you might need to fund your lifestyle now and in the future
- your “key” lifestyle goals
- what you might need to do to pay for your goals
- the myths and risks of investments and how to avoid the traps
- how long your savings might last after you retire.

Once you’ve keyed in your information, you can instantly see the impact of your decisions through the powerful tax, superannuation and Centrelink modeling, which creates your very own personal Lifestyle Plan or “roadmap”.

The beauty of *Wealth Manager* is that you can recalculate your roadmap when either your plans or circumstances change. And, it’s available whenever you want it and, at no cost.

Visit [www.lutheransuper.com.au](http://www.lutheransuper.com.au) today and review *Wealth Manager* for yourself!

\* Please note that *Wealth Manager* is not a substitute for personal financial advice. You should consult a licensed financial advisor about your personal circumstances, financial needs and objectives.

## Your investment options

As a member of Lutheran Super, you are entitled to choose how your money in the Fund is invested. Of course, the option you choose depends on your own personal circumstances and your attitude to investments in certain markets.

You can **change** your **options** at anytime. We suggest that if you are unsure what the best option is for you then you should obtain advice from a professional licensed financial adviser.

**If you do not make an investment selection, you will be allocated to the Trustee Mix, which is a combination of two of the options, 70% Growth and 30% Capital Stable.** This option has been structured to provide a reasonable level of exposure to share markets to provide the opportunity for capital growth but also has an exposure to fixed interest and cash investments to provide some protection when share markets are not performing.

More details on each option are provided in the Fund’s Product Disclosure Statement which can be obtained by calling the Helpline or by going to the Fund’s website, [www.lutheransuper.com.au](http://www.lutheransuper.com.au)

### Let’s go green, let’s go electronic!

Would you like to be part of our electronic community so you can receive timely super and member updates while helping us save the environment by going paperless?

If so, simply follow the following steps:

Step 1	Step 2	Step 3
Sign into your account at <a href="http://www.lutheransuper.com.au">www.lutheransuper.com.au</a>	Access the ‘Personal Details’ page	Update your personal details online, remembering to include your email address

**It’s that easy!**

## Lutheran Super's investment performance

The table below shows the investment performance of the various options in the Fund for the year ending 31 December 2009 and over a three and five year period ending 31 December 2009.

Investment returns have been calculated on a simple time weighted basis based on the change in the underlying investment option's unit price for the relevant period. All rates quoted are net of tax and the standard rate of management fees.

Please note that past performance is not an indication of future performance.

Investment option	Earning rate for 2009 % p.a.	Three year % p.a.	Five year % p.a.	Since commencement % p.a.**	Commencement date
<b>Accumulation members</b>					
Trustee Mix*	15.53	n/a	n/a	-4.49	1 July 2007
Capital Secure	2.62	3.96	4.32	n/a	n/a
Capital Stable	7.75	1.23	4.58	n/a	n/a
Balanced	13.67	-2.02	4.93	n/a	n/a
Growth	18.87	-3.45	4.47	n/a	n/a
Growth – Australian Shares	36.11	-2.1	6.48	n/a	n/a
Growth – SRI Australian Shares	31.34	-0.69	n/a	3.21	1 July 2006
<b>Defined benefit members</b>					
Actual rate of earnings	6.95	-0.43	5.87		
<b>Pension members</b>					
Capital Secure	3.15	n/a	n/a	3.51	1 July 2008
Capital Stable	9.09	n/a	n/a	0.70	1 July 2008
Balanced	15.79	n/a	n/a	-4.01	1 July 2008
Growth	21.51	n/a	n/a	-1.62	1 July 2008
Growth – Australian Shares	41.44	n/a	n/a	-2.19	1 July 2008
Growth – SRI Australian Shares	35.87	n/a	n/a	-2.22	1 July 2008

\* The Trustee Mix option commenced 1 July 2007. It is based on the structure of 70% Growth and 30% Capital Stable.

\*\* Where three and five year returns are available, for simplicity only these are shown. Where these three and five year returns are not available, returns since commencement are shown with the option's commencement date.

### Effect of taxes, fees and costs

The investment performance shown is after tax and Lutheran Super's standard rate of investment management fees, but does not include the effects of other fees you might be charged. Other fees will reduce your account balance. Any fees and costs that may apply to you for the year are shown on your *2009 Member Statement*.

**The Trustee is required by law to set investment objectives for the Fund and its underlying investment options. The investment objectives set out in the following pages for each option are not a financial forecast or a guarantee of any future returns from the relevant option.**

### Investment strategy

Before you read the description of the various options, you should be aware that the following strategy will be applied to all of the options to ensure they achieve their objectives:

- invest across all the major asset classes in proportions appropriate to the overall profile of the option
- invest the assets with professional investment managers
- monitor the performance of each portfolio and manager to ensure competitive investment performance
- allow the investment managers to invest in various facilities within overall guidelines to protect or enhance the investment performance.

The Trustee does not invest directly in derivatives, such as futures and options but does allow the Fund's investment managers to use these facilities in managing their portfolios. Derivatives are used by the managers to manage risk and can result in losses as with most other asset classes. The Trustee does not allow the investment managers to gear the portfolio by using derivatives.

## Capital Secure Option

### Objectives

- Broad aim is to seek the security of capital and to never achieve a negative return on assets invested.
- Expected to achieve investment returns consistent with bank deposits.

There is no guarantee that these objectives will be met or that the value of your superannuation will not decrease as a result of negative returns.

### Strategy

All money is invested in cash investments such as bank bills and term deposits.

### Return performance\*

The investment returns for this option are listed in the table below. The five-year average rate of return for this option for the period ending 31 December 2009 was 4.32% p.a.

The investment return for pension members in the Capital Secure Option from 1 January 2009 to 31 December 2009 was 3.15% p.a.

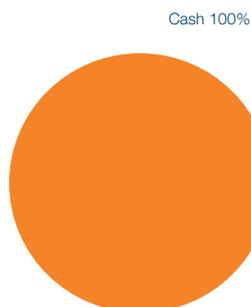
\* Please note that past performance is not an indication of future performance.

### Investment manager

The investment manager currently used by the Trustee for the Capital Secure Option is Vanguard Investments Australia Limited in their Cash Reserve Fund.

### To choose this option

The cost of transferring your money into the Capital Secure Option from another investment option is approximately 0.03% of money being switched into this option.



Year ended 31 December	Rate % p.a.
2009	2.62
2008	4.29
2007	4.98
2006	4.80
2005	4.89

## Capital Stable Option

### Objectives

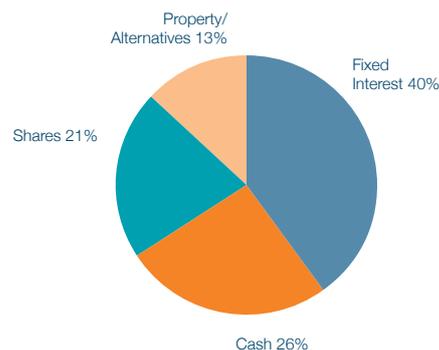
- Broad investment objective will be to limit year-to-year variability in returns while having a greater focus on security of capital than the other investment options.
- More specifically, to achieve returns after tax and fees that exceed CPI increases by at least 2% p.a. over rolling five and seven-year periods.
- To achieve an after tax and fees return in line with the notional return on the Fund's specified benchmark portfolio.
- To earn a rate of return after tax and fees above the median of results for the Mercer Capital Stable Fund Survey over rolling three and five-year periods.
- Over a three-year period, to have a Reward to Risk Ratio higher than the median Reward to Risk Ratio in the Mercer Capital Stable Fund Survey.

There is no guarantee that these objectives will be met or that the value of your superannuation will not decrease as a result of negative returns.

### Strategy

This option invests in all the major asset classes but with a relatively low exposure to shares and property.

The pie chart illustrates the expected allocation of assets within the various investment markets over the longer term.



### Return performance\*

The investment returns for the Capital Stable Option in recent years are listed in the table below.

The average compound rate of return for the five years to 31 December 2009 was 4.58% p.a.

The investment return for pension members in the Capital Stable Option from 1 January 2009 to 31 December 2009 was 9.09% p.a.

\* Please note that past performance is not an indication of future performance.

### Investment manager

The investment manager currently used by the Trustee for the Capital Stable Option is AMP Capital Investors Limited in their Conservative Option

### To choose this option

The cost of transferring into the Capital Stable Option from another investment option is approximately 0.63% of the money being switched into this option.

Year ended 31 December	Rate % p.a.
2009	7.75
2008	-9.36
2007	6.22
2006	9.61
2005	10.01

## Balanced Option

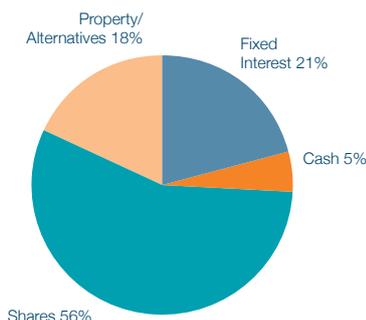
### Objectives

- Broad aim is to maximize long-term investment returns, whilst accepting a significant degree of variability in year to year returns.
- More specifically, to achieve returns after tax and fees that exceed CPI increases by at least 3% p.a. over rolling five and seven-year periods.
- To earn a rate of return after tax and fees above the median of results for the Mercer Pooled Fund Survey over rolling three and five-year periods.
- To achieve an after tax and fees return that exceeds the notional return on the Fund's specified benchmark portfolio.
- Over a three-year period, to have a Reward to Risk Ratio higher than the median Reward to Risk Ratio in the Mercer Pooled Fund Survey.

There is no guarantee that these objectives will be met or that the value of your superannuation will not decrease as a result of negative returns.

### Strategy

The pie chart illustrates the expected allocation of assets within the various investment markets over the longer term.



### Return performance\*

The investment returns for the Balanced Option in recent years are listed in the table below.

The average compound rate of return for the five years to 31 December 2009 was 4.93% p.a.

The investment return for pension members in the Balanced Option from 1 January 2009 to 31 December 2009 was 15.79% p.a.

\* Please note that past performance is not an indication of future performance.

### Investment manager

The manager used to invest assets for this option is AMP Capital Investors Limited in their Balanced Growth Option

### To choose this option

The cost of moving to this option is approximately 0.88% of the amount switched into this option.

Year ended 31 December	Rate % p.a.
2009	13.67
2008	-24.45
2007	9.55
2006	16.19
2005	16.37

## Growth Option

### Objectives

- Broad aim is to maximise long-term investment returns whilst accepting a high degree of variability in year to year returns.
- More specifically, to achieve returns after tax and fees that exceed CPI increases by at least 4% p.a. over rolling five and seven-year periods.
- To achieve an after tax and fees return, over rolling three and five-year periods, that exceeds the notional return on the Fund's specified benchmark portfolio.
- To earn a rate of return after tax and fees above the median of an asset-weighted composite of the relevant Mercer Sectors Survey medians included in the Growth Option benchmark.
- Over a three-year period, to achieve a Reward to Risk Ratio higher than the median Reward to Risk Ratio in the Growth Option benchmark.

There is no guarantee that these objectives will be met or that the value of your superannuation will not decrease as a result of negative returns.

### Strategy

The pie chart illustrates the expected allocation of assets within the various investment markets over the longer term.



### Return performance\*

The investment returns for the Growth Option in recent years are listed in the table below.

The average compound rate of return for the five years to 31 December 2009 was 4.47% p.a.

The investment return for pension members in the Growth Option from 1 January 2009 to 31 December 2009 was 21.51% p.a.

\* Please note that past performance is not an indication of future performance.

### Investment manager

The investment manager currently used by the Trustee for the Growth Option is Vanguard Investments Australia Limited in their Life Strategy Index Fund PST – High Growth.

### To choose this option

The cost of transferring into the Growth Option from another investment option is approximately 0.50% of the money being switched into this option.

Year ended 31 December	Rate % p.a.
2009	18.87
2008	-28.87
2007	6.45
2006	18.26
2005	16.89

## Growth – Australian Shares Option

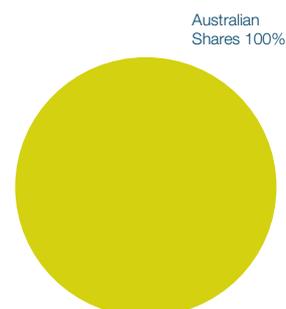
### Objectives

- Broadly to maximise long term investment returns whilst tolerating a high degree of variability in year-to-year returns.
- More specifically, to earn returns after tax and fees that exceed CPI increases by at least 4% p.a. over rolling five and seven year periods and to match the performance of the broad Australian share market over the medium term.
- Over rolling three year periods, to achieve returns that equate to the returns achieved by the Australian share market as measured by the ASX 300.

There is no guarantee that these objectives will be met or that the value of your superannuation will not decrease as a result of negative returns.

### Strategy

All money is invested in Australian shares.



### Return performance\*

The investment returns for the Growth – Australian Shares Option in recent years are listed in the table below.

The average compound rate of return for the five years to 31 December 2009 was 6.48% p.a.

The investment return for pension members in the Growth – Australian Shares Option from 1 January 2009 to 31 December 2009 was 41.44% p.a.

\* Please note that past performance is not an indication of future performance.

### Investment manager

The manager used to invest assets for this option is Macquarie Investment Management Ltd in their True Index Australian Equities Option.

### To choose this option

The cost of moving to this option is 0.50% of the amount switched into this option.

Year ended 31 December	Rate % p.a.
2009	36.11
2008	-38.98
2007	12.98
2006	21.91
2005	19.36

## Growth – SRI Australian Shares (Commenced 1 July 2006)

This is the only option where the investment manager appointed by the Trustee takes into account labour standards, social, environmental or ethical issues when determining strategies when developing its investments and will exclude certain organisations on the basis of their activities.

### Objectives

- Broadly to maximise long term investment returns whilst tolerating a high degree of variability in year to year returns.
- More specifically, to earn returns, after fees and taxes, that exceed CPI increases by at least 4% p.a. over rolling five and seven year periods and to match the performance of the broad Australian share market over the medium term.
- Over rolling three year periods, to produce returns that equate to the returns achieved by the Australian share market as measured by the ASX 300.

There is no guarantee that these objectives will be met or that the value of your superannuation will not decrease as a result of negative returns.

### Strategy

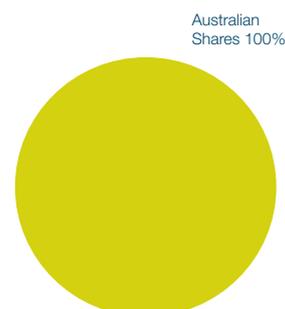
This option **will not** invest in shares in any of the following:

- weapons manufacturing
- alcohol
- tobacco
- gaming
- companies with an environmental and/or a human rights prosecution

The SRI option also has a positive screening process that seeks companies based on the following criteria:

- provides some form of environmental or social benefits through management and/or remediation of environment resources
- demonstrates or enables reduced adverse environmental and social impacts relative to other organisations
- companies that benefit communities such as:
  - renewable energy
  - sustainable agribusiness
  - ecotourism.

All money is invested in Australian shares.



### Return performance\*

As this investment option only commenced in the Fund from 1 July 2006, there is only return information for the years ended 31 December 2007, 2008 and 2009.

The investment return for pension members in the Growth – SRI Australian Shares Option from 1 January 2009 to 31 December 2009 was 35.87% p.a.

\* Please note that past performance is not an indication of future performance.

### Investment manager

The manager used to invest assets for this option is BT Financial Group in their Wholesale Ethical Share Fund.

### To choose this option

The cost of transferring into this option is 0.50% of the money that is switched into this option.

## Trustee Mix

Please note that this is not an investment option a member can directly invest in. If a member does not make a selection, they are allocated to a mix of the previous options based on the Trustee's determination as shown in the table below.

Option	Proportion
Capital Stable	30%
Growth	70%

Effective 1 July 2007, the Trustee Mix changed from Capital Stable 25%, Capital Secure 25% and Growth 50%.

## Defined benefit information

For defined benefit members, the amount your employer contributes varies depending on the advice of a super expert called an actuary. At least every three years, the Fund's actuary prepares a valuation report that states how much your employer needs to contribute to meet any super payouts now and in the future. The employer has paid contributions in relation to defined benefit members at a level not less than that recommended by the actuary during the period. At the time of the last actuarial valuation (31 December 2008) the value of the Fund's assets amounted to 107.3% of the sum of all defined benefits member's super pay-outs assuming all members ceased employment at that date. Therefore the Fund was considered to be in a satisfactory financial position at that date.

## Crediting rate for EX-QLSSSP defined benefit members

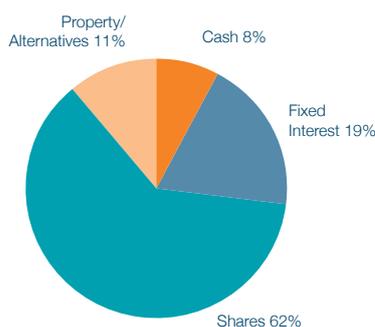
Investment choice has been a reality for all defined benefit members since 1 July 2006 on their **voluntary accumulation accounts** in the Fund. All members were allocated to the Balanced Option unless they had made a specific selection of another option.

As a result of this change, the crediting rate for the defined benefit component of the benefit changed from being a three-year average to the rate of return on the underlying assets for the defined benefit section. The rates are updated monthly once the actual performance of the assets is known. All voluntary accounts receive earnings based on the movement in the unit price for their selected investment option.

The defined benefit liabilities of the Fund are supported by the AMP Conservative Option.

There has been no change to the way benefits are calculated, only where the Fund's assets are invested. This does not impact on your voluntary accounts which have access to investment choice. The effective rate that was applied to the defined benefit member account for the year ended 31 December 2009 was 6.95% p.a.

Please note that past performance is no indication of future performance.



Year ended 31 December	Rate % p.a.
2009	31.34
2008	-35.98
2007	16.48

Year ended 31 December	Rate % p.a.
2009	15.53
2008	-23.02
2007	5.60
2006	12.75
2005	12.17

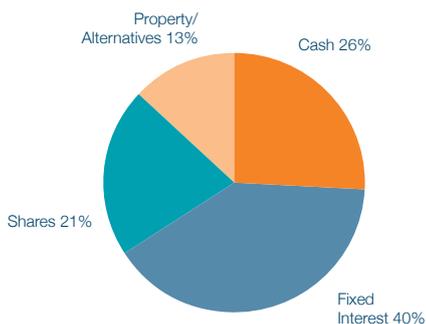
## Defined benefits

### Objectives

- Broad aim is to maximize long-term investment returns, whilst accepting a reasonable degree of variability in year to year returns.
- More specifically to achieve returns after fees and tax that exceed CPI increases by at least 2.5% p.a. over rolling five and seven-year periods.
- To earn a rate of return after tax and fees above the median results for 50% of the Mercer Pooled Fund Survey and 50% of the Mercer Capital Stable Fund Survey over rolling three and five-year periods.
- To achieve an after tax and fees return that exceeds the notional return on the Fund's specified benchmark portfolio.
- Over a three-year period, to have a Reward to Risk Ratio higher than the median Reward to Risk Ratio for 50% of the Mercer Pooled Fund Survey and 50% of the Mercer Capital Stable Fund Survey.

### Strategy

The pie chart illustrates the expected allocation of assets within the various investment markets over the long term.



### Return performance\*

The investment returns in recent years are listed in the table below.

\* Please note that past performance is not an indication of future performance.

### Investment manager

The investment manager currently used by the Trustee for defined benefit assets is AMP Capital Investors Limited in their AMP Conservative option.

### Allocation of earnings

The Trustee calculates a unit price on a weekly basis which takes account of investment earnings whether positive or negative. Net earnings are allocated to member accounts via a weekly unit price calculation process.

## Fund manager allocation

As part of their ongoing responsibilities the Trustee monitors and reviews the Fund's investment managers' performance on a regular basis. The Trustee obtains advice from professional investment consultants to assist it in this process.

During the year the Trustee terminated its investment in the ANZ Banking Group Limited Cash at Call Account and the Mercer Super Investment Trust – Cash Option and transferred this money to Vanguard Investments Australia Limited in their Cash Reserve Fund.

The current managers and facilities used are as follows:

### AMP Capital Investors Limited

- Conservative Option
- Balanced Growth Option

### Vanguard Investments Australia Limited

- Vanguard Life Strategy Index Fund PST – High Growth
- Vanguard Cash Reserve Fund

### Macquarie Investment Management Limited

- Macquarie True Index Australian Equities Fund

### BT Financial Group

- BT Wholesale Ethical Share Fund

Year ended 31 December	Actual earnings % p.a. (net of tax and fees)
2009	6.95
2008	-14.58
2007	8.04
2006	16.19
2005	16.0

# Fees and charges

## Administration fees

The following table shows the Fund's expenses or fees and charges that might apply to your superannuation benefits.

All expenses are current at the time this Annual Report was produced and may be revised, increased or added to or adjusted by the Trustee from time to time (for example, due to changes to superannuation law or the Fund trust deed). The Trustee may also introduce new fees.

While it is not anticipated that fees and charges will change, if there is an increase in fees we must notify you 30 days in advance of the change. The Trustee is not able to negotiate the fees detailed below.

No GST is payable by you on any of the fees and charges described below.

You should read this fee information carefully, as it's important that you understand how these fees can affect your benefits in the Fund.

Please note, that the Trustee is not able to provide any discounts to any of the fees outlined below for any individual member.

**Table 1** Significant fees

What the fee is for	Amount	How the fee is calculated and paid
<b>Establishment fee</b> This is the fee to set up your account in the Fund.	Nil	n/a
<b>Contribution fee</b> This is the fee charged for the initial and every subsequent investment you make (including any contributions made to the Fund on your behalf e.g. by your employer).	Nil	n/a
<b>Withdrawal fee</b> This is the fee charged for each payment paid out from the Fund.	\$50.00 per withdrawal	This fee is deducted from your account at the time a payment is made including payments under portability legislation.
<b>Termination fee</b> This is the fee when you close your account in the Fund.	\$50.00	The fee is deducted from your account at the time your final payment is made.
<b>On-going fees</b> This is the total of all ongoing administration, investment management, expense recovery and other fees charged by the Fund. A breakdown of fees is shown in the 'Ongoing fees' table on page 15.	\$1.00 per week Plus An asset fee of 0.30% of your account balance (see the Ongoing fees table on page 15). Plus An asset based fee depending on your selected investment option (see the Ongoing fees table on page 15).	Deducted from your account balance every month.  Deducted in the calculation of the unit price by the Trustee.  This fee is deducted by the investment manager prior to the calculation of unit prices or charges to your account balance at each annual review.
<b>Switching Fee</b> This is the fee charged when you switch between investment options offered by the Fund.	One free switch per calendar year but subsequent switches are \$30 each. In addition, a buy/sell spread applies depending on the investment option (see the Ongoing fees table on page 15).	When the Fund receives contributions or you choose to make a switch between portfolios, the buy unit price is used to buy units and the sell unit price is used to value your investment in the Fund.

## Breakdown of ongoing fees

This table contains a breakdown of the ongoing fees shown in Table 1, on page 14. They are not additional to the fees detailed in Table 1 'Significant fees'.

**Table 2** Ongoing fees

Ongoing fees	Amount	How & when it is paid
<b>Administration fee</b> This is the fee to cover the general administration of the Fund.	\$1.00 per week plus an asset fee of 0.30% of your account balance.	Deducted monthly from your account. Deducted from the investment earnings in determining the unit price for each option.
<b>Investment management fee</b> This is the fee charged for managing the Fund's assets based on the amount invested in that option.	Capital Secure Option 0.10% p.a. Capital Stable Option 0.392% p.a. Balanced Option 0.52% p.a. Growth Option 0.23% p.a. Growth Australian Shares nil Growth SRI Aust Shares 0.95% p.a.	The fee is deducted by the investment manager prior to the calculation of unit prices.
<b>Issuer fee</b> This is the fee for the product issuer's services in overseeing the Fund's operations and/or providing access to the Fund's investment options.	Nil	n/a
<b>Expense recoveries</b> This is an estimate of out-of-pocket expenses the Trustee is entitled to recover from the Fund.	Nil	n/a
<b>Member fee</b> This is a member-keeping fee charged by the Fund.	Nil	n/a
<b>Buy/sell spreads for each investment option</b> The buy/sell spread is an allowance for the transaction costs incurred when buying or selling investments, for example stamp duty and brokerage. The fee will apply to the amount of money moved into an option or any contribution paid.	The buy/sell spreads outlined below are based on the current benchmark asset allocation and may vary slightly from time to time. Capital Secure Option 0.03% p.a. Capital Stable Option 0.63% p.a. Balanced Option 0.88% p.a. Growth Option 0.50% p.a. Growth Australian Shares 0.50% p.a. Growth SRI Aust Shares 0.50% p.a.	The buy/sell spread is taken into account when calculating the unit prices applicable to that particular investment option.

## Family Law fees for information and for splitting your super

The Trustee charges fees in order to recover its costs associated with the splitting of superannuation benefits for Family Law purposes.

For more information about Family Law and how it may affect you, contact the Helpline on 1800 635 796.

**Table 3** Family Law

Where fees apply	Fee	Who pays the fee
Application for information – in the format specified under the Family Law Act	Nil	n/a
Splitting a benefit	\$451.00	Shared equally by both parties and will be deducted from each super benefit at the time the benefit is split.
Flagging a benefit	Nil	n/a

### Protection of small account balances

Superannuation legislation protects small superannuation account balances from erosion by administration expenses. Any member with a total account balance in the Fund of \$1,000 or less will be “protected” in this way.

In short, this will mean that the normal expenses deducted from your accumulation account in the Fund (detailed on your benefit statement under “Employer Account”) to cover administration expenses will not apply to you if:

- the total of your accumulation account is \$1,000 or less at the Fund’s review date (31 December) or at the date you leave the Fund, and
- the normal expenses deducted from your Employer Account since the last review date (or the date membership commenced, if later) exceed the investment earnings credited to your accumulation account.

In these circumstances, the expenses deducted from your employer balance will be limited to the total investment earnings credited to you over the same period.

### Insurance costs

As at the year ended 31 December 2009, the fees charged for insurance were as follows:

#### Death and permanent disablement

- \$0.85 per unit per week
- Ex-QLSSSP accumulation members – \$0.30 cents per unit per week

#### Death only benefits

- \$0.51 cents per unit per week
- Ex-QLSSSP accumulation members – \$0.18 cents per unit per week

#### Salary continuance benefits

- 0.38% of salary

# Getting to know your Fund

## Who is the Trustee?

The Fund's Trustee is a company, LCA Nominees Pty Ltd ABN 61 008 204 939. At 31 December 2009, there were ten directors of the company, five of whom are elected by the members of the Fund and five appointed by the principal employer, Lutheran Super.

The directors have responsibility to manage the Fund in the best interest of all members in accordance with the Fund's Trust Deed and relevant legislation.

The Directors as at 31 December 2009 were:

### Employer appointed

Mr John Grocke  
*Chairman, Financial Planner,  
Johnston Grocke Financial Services*

Mr Allen Truslove  
*Allen L Truslove Actuary & Statistician  
Pty Ltd*

Mr John Nield  
*Retired Teacher*

Mr Anthony Klatt  
*Financial Planner,  
Johnston Grocke Financial Services*

Mr Jeff Harman  
*Business Manager,  
Concordia College, Highgate, SA*

### Member elected

Mr Graeme Drapper  
*Business Manager,  
LCA Queensland District, Schools Dept*

Mr Lester Kerber  
*Business Manager,  
Dalyellup Ocean Forest,  
Lutheran College, Dalyellup, WA*

Mr Stephen Wenke  
*Church Administrator,  
Good Shepherd Lutheran Congregation,  
Noosa, QLD*

Mr John Findlay  
*Teacher, St Peters Lutheran College,  
Indooroopilly, QLD*

Mr Brett Clarke  
*Business Manager,  
Redeemer Lutheran College,  
Mount Gravatt, QLD*

Under the current election rules, member-representative directors will cease to hold office if:

- they cease to be a member
- they resign as a member-representative director
- the Trustee receives a written notice signed by more than 50% of members at the date of receipt of such notice calling for the removal of that member-representative director
- they become ineligible under law.

A summary of the Fund's election rules are available from the Enquiries and Complaints Officer (see page 19 for contact details).

The term of office for the member-elected representatives is two and four years. The term of office for the current member-elected representatives ceases in 2011 and 2013.

## Trustee indemnity insurance

The Trustee has chosen to take out an indemnity insurance policy as a prudent measure because of legislative requirements placing increased responsibilities on the Trustee.

## Trust Deed

The Fund is governed by a legal document called the Trust Deed. The Trust Deed sets out the rights and obligations of the members, participating employers and the Trustee. During the year there were no Trust Deed amendments.

## Superannuation contributions surcharge

The superannuation contributions surcharge was abolished on 1 July 2005. However, the Fund may still receive a surcharge assessment or an amended surcharge assessment for the financial years 1997 – 2005 from the Australian Taxation Office. Where the Fund receives a surcharge assessment or amended surcharge assessment in respect of your super, the Fund will pay the assessment and deduct the relevant amount from your member account. This will be shown on your member statement.

## Service providers to the Trustee

The Trustee is entitled to use professional organisations to assist in the operation of the Fund. The organisations used during the year were as follows:

### Administration and general consulting advice

- Mercer (Australia) Pty Ltd

### Investment consulting advice

- CPG Research & Advisory Pty Ltd

### Investment managers

- AMP Capital Investors Limited
- Vanguard Australia Investments Ltd
- Macquarie Investment Management Ltd
- BT Financial Group

### Audit

- KPMG

### Insurance

- ING (Death and Total & Permanent Disablement)
- ComInsure (Salary Continuance)

### Legal advice

- Wallmans Lawyers

## Remember to claim your benefit

If you leave your employer and are entitled to take your benefit from the Fund, you have a number of options on what to do with your super. You can choose to leave it in the Fund, you can roll it over to another super fund with your new employer or roll it over to any other superannuation fund. You may also be able to take some or all of your benefit in cash depending on your personal circumstances and superannuation preservation requirements.

If you don't respond to our request for instructions on where to pay your benefit, the Trustee's current policy is to hold monies in the Retained benefit section of the Fund for a period of 12 months. This is to allow for the possibility of members re-entering any other Lutheran Church associated employers.

If no contributions are received for you during this period and your benefit is less than \$2,000 your benefit will be transferred to the Fund's Eligible Rollover Fund (ERF) on your behalf. This benefit will then cease to be payable from the Fund and could only be claimed by you contacting the ERF to which it was paid. An ERF is simply a holding account where your benefit will remain until you notify the administrator of the ERF what action is to be taken.

The ERF used by the Trustee since 1 January 2007 is AUSfund, Australia's Unclaimed Super Fund.

### About AUSfund

AUSfund's membership is largely made up of small, lost and inactive members' accounts. The Responsible Entity of AUSfund is responsible for making decisions about how to invest the money held and has adopted a diversified investment strategy which is appropriate for its membership.

### AUSfund investment strategy:

- The Responsible Entity has chosen a diversified investment strategy to provide security to members' monies over the medium term (three to five years).
- The strategy aims to balance the need to deliver returns to members with the need to limit the likelihood of a negative return to one in every ten years.
- To provide a competitive return at a moderate level of market risk.
- Invest in a mix of shares, property, alternative assets, fixed interest and cash, aiming to provide a mix of income and capital growth over the medium term.

### AUSfund investment objectives:

- To invest monies to give security to members' monies over the medium term.
- The asset mix should be structured to limit the likelihood of a negative return to one in every ten years.
- Deliver an after tax return of at least inflation plus 2.5% per annum over rolling five-year periods at least 75% of the time.
- An investment reserve is managed to assist in the smoothing of returns to members and to lower the possibility of a negative return.

- A long term asset mix is selected to take account of the above risk constraints and allow the highest possible return for an agreed level of risk.
- The investment process should be cost efficient and the strategy reviewed at least annually.
- The short term investment strategy should be controlled by adjusting cash flow between investments as the investment environment dictates, while remaining within the longer term strategies.

AUSfund does not provide access to investment choice or provide any level of insurance cover.

The following fees and charges apply in AUSfund.

- An administration fee of \$10 per annum for members with balances of \$50 and over. No fee applies to members with balances below \$50 or limited information members. This fee is deducted from your account.
- Management costs of 0.80% (\$8.00 per \$1,000 invested) which is deducted from gross returns prior to the setting of the crediting rate.
- Family Law fees of \$100 for the provision of information and \$69 for splitting an account.

AUSfund **will not** accept employer contributions (including salary sacrifice contributions) unless there are exceptional circumstances. You can rollover other monies into AUSfund and make voluntary contributions but AUSfund will not accept any Government co-contributions or spouse contributions and contribution splitting is not allowed.

Once your super is transferred to AUSfund you will no longer have any rights under Lutheran Super and you will need to deal directly with AUSfund in respect of your benefits that have been transferred.

If you have any questions about AUSfund, please contact them via the details below:

### AUSfund

PO Box 2468, Kent Town SA 5071  
Phone 1300 361 798  
Fax 1300 366 233  
Email [admin@ausfund.net.au](mailto:admin@ausfund.net.au)  
Web [www.unclaimedsuper.com.au](http://www.unclaimedsuper.com.au)

## How we protect your privacy

Your privacy has always been important to your Fund and the Trustee. With the increasingly rapid expansion of technology and access to information, preserving your privacy is now more important than ever.

In order to provide you with superannuation benefits, including death and disability benefits, and to properly manage the Fund, the Fund holds personal information about you that identifies you as a member. This information typically includes your name, address, date of birth, gender, occupation, salary, tax file number and any other required information.

The Fund generally collects this information either from you or your employer. Your personal information may be disclosed to the Fund's administrator and professional advisers, insurers, government bodies, your employer and other parties as required, including the Trustee of any other fund you may transfer your benefit to. By becoming a member of the Fund, it is assumed that you consent to this handling of your personal information. If you do not provide the Fund with your personal information, the Fund may not be able to provide your superannuation benefits and choices.

You can request access to your personal information held by the Fund. Should any of your personal information be incorrect, you may have the opportunity to correct it. There are, however, some circumstances where you may be denied access to your information. The Fund's Privacy Officer will advise if any of these circumstances apply. The Fund abides by the National Privacy Principles under the Privacy Act 1988 (Cth) and has adopted a Privacy Policy which sets out in more detail the way in which it handles members' personal information. If you would like a copy of the Fund's Privacy Policy, please contact the Fund's Administrator (contact details for the Fund's Administrator can be found on page 19).

# Questions about your superannuation?

## Ask your Fund administrator

The Fund Administrator  
Lutheran Super  
GPO Box 4303, Melbourne VIC 3001  
Phone 1800 635 796  
Fax (03) 9245 5827  
Email [enquiries@lutheransuper.com.au](mailto:enquiries@lutheransuper.com.au)

## Enquiries and complaints

If you have a question about your superannuation or want more information about the Fund, please contact the Fund Administrator. Most queries can be sorted out over the phone.

However, if your query is not resolved to your satisfaction, you can contact the Enquiries and Complaints Officer:

### Enquiries and Complaints Officer

Lutheran Super  
197 Archer Street, North Adelaide  
SA 5006

Phone (08) 8267 7338  
Fax (08) 8267 7310

The matter will be investigated by the Enquiries and Complaints Officer and, where necessary, the Complaints Committee on behalf of the Trustee. You will be advised of the Trustee's decision as soon as possible and within 90 days, or within 30 days of the Trustee's decision, whichever is earlier. Sometimes further time is required for complicated matters. If we need more time we will let you know. Please remember to include an address to which the response can be mailed.

If you have a complaint and you are not satisfied with the response, or the matter can't be resolved, you may be able to refer the matter to the Superannuation Complaints Tribunal (SCT). The SCT is an independent government body which is set up to help resolve disputes between super funds and their members. Any complaints must be lodged with the Tribunal within certain time limits.

For more information you can contact the SCT on 1300 780 808 or write to:

**Superannuation Complaints Tribunal**  
Locked Bag 3060,  
GPO Melbourne Victoria 3001

## Monitoring enquiries

The Trustee may, at its discretion, monitor or record enquiries or transactions made by telephone. This is done for reasons of accuracy, security and service.

## Extra information available

As a member of Lutheran Super, you should already have a member booklet or Product Disclosure Statement containing detailed information about your benefits and some of the important rules governing the Fund. You also receive an annual benefit statement setting out important personal information about your benefits in the Fund.

Any member of the Fund may request to see certain documents associated with the operation of the Fund. The documents available to members include:

- the trust deed that governs the Fund
- the investment Policy Statement
- the Fund's Privacy Policy
- audited financial statements
- extracts from the latest actuarial review
- current Product Disclosure Statement.

If you would like to see any of these documents or need further information, please contact the Helpline.

## Lutheran Super

**Freecall Helpline**  
1800 635796

**Facsimile**  
(03) 9245 5827

**Mail**  
Fund administrator  
Lutheran Super  
c/- GPO Box 4303  
Melbourne, VIC 3001

**Online information**  
[www.lutheransuper.com.au](http://www.lutheransuper.com.au)

## Financial summary

A summary of the Fund's accounts for the year ended 31 December 2009 is shown below. Comparative figures for 2008 are also shown.

Copies of the audited accounts and the auditor's report are available on request from the Executive Officer.

The financial statements confirm that the Fund is in a satisfactory financial position as at 31 December 2009.

### Statement of the change in net assets

	31/12/09	31/12/08
<b>Fund assets as at 1 January</b>	<b>\$252,660,358</b>	<b>\$292,014,809</b>
<b>Plus</b>		
Net investment revenue	31,567,514	(48,657,859)
Employer contributions	30,917,194	30,997,117
Member contributions	3,342,716	2,626,185
Government co-contributions	1,091,220	1,028,916
Transfers from other funds	2,781,794	3,090,932
Other revenue	901,388	466,477
Total revenue	70,601,826	(10,448,232)
<b>Less</b>		
Benefits paid	18,133,236	21,848,603
General administration expenses	1,337,427	1,014,848
Insurance premiums	1,398,155	1,765,603
Income tax expenses	4,732,562	4,277,165
Total expenses	25,601,380	28,906,219
<b>Fund assets as at 31 December</b>	<b>297,660,804</b>	<b>252,660,358</b>

### Net Fund assets

	31/12/09	31/12/08
<b>Investment by facility</b>		
Investments	297,239,797	216,755,992
Cash at Bank	2,585,788	37,422,063
Other assets	330,604	440,534
Receivables	51,151	118,030
Total assets	300,207,340	254,736,619
<b>Less</b>		
Liabilities		
Provisions for income tax	1,299,416	1,279,233
Other liabilities	1,247,120	797,028
Total liabilities	2,546,536	2,076,261
<b>Net assets as at 31 December</b>	<b>297,660,804</b>	<b>252,660,358</b>

## Reserves

The Fund maintains two formal reserves:

- an Accumulation Reserve
- an Investment Reserve.

The Accumulation Reserve helps the Fund manage expenses incurred by the Fund in respect of accumulation members. The total amount of reserves in the Accumulation Reserve as at 31 December for the past three years was \$1,247,631 in 2007, \$1,173,05 in 2008 and \$1,302,414 in 2009. The Accumulation Reserve is invested 100% in the Capital Secure investment option.

The Investment Reserve contains any excess of investment returns obtained by the Fund's accumulation-related assets which have not been passed on to member accounts. The total amount of reserves in the Investment Reserve as at 31 December for the past two years (the Investment Reserve was created in 2008) was \$1,392,000 in 2008 and \$1,120,041 in 2009. The Investment Reserve is invested in the Fund's Trustee Mix (70% Growth and 30% Stable).

The information contained in this 2009 Annual Report is general information only and does not take into account any person's individual financial objectives, financial situation or needs. Because of this, you should, before acting on the advice, consider the appropriateness of the advice having regard to your individual financial situation and needs. We recommend that you speak to a licensed financial adviser before you make an investment or insurance decision.

The value of investments in the Fund or any underlying investment options may rise and fall from time to time. LCA Nominees Pty Ltd or the employers do not guarantee the investment performance, earnings or return of capital invested in any of the investment options made available to members set out in this report. If you leave the Fund within a few years of joining, you may get back less than the contributions paid into the Fund due to the effect of taxes, fees and possible negative investment returns.

The information contained in this report is up-to-date at its preparation. However, some of the information can change from time to time, for example, fees or the structure of any of the investment options. If there is a material change, inaccurate statement or omission the Trustee will inform you as required. If there is any inconsistency between the trust deed and this report, the trust deed will be the final authority.

For other changes and information about any investment option you can call the Lutheran Super Helpline on 1800 635 796 for an update.

Issued by:

LCA Nominees Pty Ltd, ABN 61 008 204 939, RSE Licence No L0002103, AFS License 240571 as trustee for Lutheran Super, RSE Registration No R1005707 ABN 93 371 348 387