

SEPTEMBER 2011

Weekly crediting rates introduced from March 2011

Prior to March 2011, earnings on your investments were calculated using **monthly** crediting rates. This meant that if you received a normal pension payment, required a lump sum payment or made a switch between investment options, the earnings were based on the last available set of crediting rates. But because monthly crediting rates were often declared three weeks after the end of the month, they did not always reflect the current investment performance of the fund.

From March this year, however, the Trustee has moved to declaring crediting rates on a weekly basis, providing a much more current view of investment performance. So now, if you make a withdrawal from the fund, switch your balance between investment options or simply want to know the balance of your account, the earnings will be more closely aligned with current market movements and investment performance.

For more information on crediting rates, visit our website at www.amist.com.au/inv_weekly.html or call the **AMIST Pension Hotline** for details and a fact sheet.



AMIST Pension scores five star rating!

AMIST Pension has been awarded a five star rating for outstanding value by Canstar Cannex. This is the first time Canstar Cannex has undertaken a star rating for account-based pensions. Over 70 pension funds were analysed and AMIST Pension was one of 10 to receive the top honour of 5 stars. It's just another demonstration that AMIST Super can truly look after its members for life.

Snap-freezing your super.

Minimising loss crystallisation in retirement.

When share markets plunge, the tempting, knee-jerk reaction is to switch out of your more volatile balanced or growth investment options and put your money in a much more stable cash option.

And why wouldn't you? You'll stop the bleeding, cut your losses, sure-up your investments, etc...

But is this actually a wise move?

The fact is that all investments, including those within your super, go up and down with changes in financial market conditions. But while your money is sitting in your fund's portfolio, any losses you incur are just "on paper". They only become real losses when you "crystallise" them by cashing in or switching to another option. Because when you do that, it's irreversible. You've snap-frozen the low price and suffered the loss. It's real money you'll never get back.



However, when you're retired and need to draw down on your money, there is no choice but to crystallise a proportion of your losses during a market downturn simply because you must withdraw a certain amount each year. The trick is to make that proportion as small as possible.

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Hop on the web!

For all the latest information about AMIST Super, log onto www.amist.com.au. Get the latest news and results, view fact sheets and download forms. It's all there to make your super easier to understand.

www.amist.com.au

From the CEO



As you will see from your statement, your investments have performed well for the year ended 30 June 2011. However we entered 2011 with Queensland experiencing severe weather conditions, a horrendous earthquake in Japan and more recently, an unprecedented downgrading of the US debt. The volatility in the financial markets make it easy to focus on the daily changes in prices and worry about their effects.

The financial markets often behave as if they were filled with 'animal spirit', and at times the prices shown are far away from 'fair value'. Our portfolios are positioned for long term growth, and often, when everyone is losing their heads, the opportunities come up for those that are patient and long term investors. Superannuation is a long term investment and most of our portfolios invest not just in shares, but also in Australian Offices and Shopping Centres, Australian Government bonds, in Cash and other securities.

So, regardless of this short-term pothole in our economy and in the financial markets, our investment portfolios have showed their resilience in the past, and we believe they are positioned to show resilience in the future.

As long as we appreciate that 'animal spirits' sometimes take over...

Since the last edition of *AMIST Pension News*, there have been some significant new developments. First, the AMIST Pension has just been named as one of the top ten for outstanding value by independent financial research firm Canstar Cannex. This is great news and a further endorsement of our aim to look after our members not only through their working lives but in retirement as well.

We have recently appointed David Sengchansavang as our in-house financial adviser. David is available to speak to members about any aspect of their Pension and to help members maximize their investment. You can contact David via the usual Pension Hotline number.

Finally, in the 2011 Federal Budget, the Government has announced a reduction in the minimum pension draw-down of 25%. This can be of great benefit to pension members particularly during times of economic uncertainty. See the article under "Changes to Superannuation" in this issue of *AMIST Pension News*.

Until next time...

John Livanas | Chief Executive Officer

Find a word puzzle

Find the hidden words and



The words in the list below are hidden in the grid. They can be found running in straight lines, but they could be horizontal, vertical, diagonal or even spelt backwards. And some words may share letters with other words.

Find and circle all the words and you could win \$100 cash.

B	W	S	K	C	O	T	S	P	Y	W	Z	V	H	Y
E	L	B	A	T	S	L	A	T	I	P	A	C	R	T
A	I	T	N	E	M	T	S	E	V	N	I	C	H	R
U	H	I	G	H	G	R	O	W	T	H	V	J	I	E
Z	L	E	C	N	A	M	R	O	F	R	E	P	G	P
G	R	O	W	T	H	N	V	M	T	Q	P	A	S	O
R	N	A	M	I	S	T	P	E	N	S	I	O	N	R
N	O	I	T	A	U	N	N	A	R	E	P	U	S	P
T	H	P	H	Y	T	N	E	M	E	R	I	T	E	R
N	Q	S	O	L	I	D	E	R	U	C	E	S	Y	T
R	U	F	P	O	R	T	F	O	L	I	O	L	T	J
U	G	E	T	A	W	A	Y	S	H	A	R	E	S	N
T	W	E	L	N	B	A	L	A	N	C	E	D	U	O
E	S	T	R	O	N	G	E	C	I	V	D	A	O	G
R	H	S	A	C	C	E	N	T	R	E	L	I	N	K

ADVICE
AMIST PENSION
BALANCED
CAPITAL STABLE
CASH
CENTRELINK
GETAWAY

GROWTH
HIGH GROWTH
INVESTMENT
PERFORMANCE
PORTFOLIO
PROPERTY
RETIREMENT

RETURN
SECURE
SHARES
SOLID
STOCKS
STRONG
SUPERANNUATION

**Entries close 30 November.
Just send your completed
puzzle and details below to:**

**AMIST Super Words
GPO Box 4293
Sydney NSW 2001**

or Fax to: 02 9230 1111

Please be sure to write your name and contact details clearly.

Name:

AMIST Pension Member No:

Address:

.....

Phone: Email:



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According to AMIST Pension's resident financial adviser, David Sengchansavang, Pension members can also reduce their payments if possible so to minimize the withdrawing at a loss or postpone their payments until later. "Remember markets generally recover after a fall, and with them investment returns also improve. So one way of minimising loss crystallisation is to draw your minimum living expenses from your cash investments and try to leave as much money as possible in more aggressive growth oriented investments," he says. "That way, you'll give these investments the best possible chance of capitalising on any market recovery."

"The trick is to make that proportion as small as possible."

Despite the natural rise and fall of markets over time, the underlying assets in AMIST Pension's investment portfolios are fundamentally sound.

Naturally, everyone's individual circumstances are different and you would be wise to seek financial advice before you make substantial alterations to your investment allocations. To get some advice from David S over the phone, call the **Pension Hotline** on **1800 255 521**.

"Age doesn't matter, unless you're a cheese."

Billie Burke.



AMIST Super Performance:

July 2010 to June 2011

Another twelve months of extremely pleasing returns. Our newer investment options, Capital Stable and High Growth, have also settled down with very promising results.



OPTION	AMIST Super	AMIST Pension*
Secure	4.8%	5.5%
Capital Stable	6.6%	7.5%
Balanced	9.7%	10.5%
Growth	11.6%	12.9%
High Growth	14.6%	15.8%

* AMIST Pension earnings are not subject to tax.

Need some advice? Call David S.

AMIST Pension has recently appointed David Sengchansavang of Money Solutions as our permanent in-house telephone advice specialist.



David is an experienced adviser with an Advanced Diploma in Financial Services (Financial Planning). He has worked at Money Solutions since 2007 and recently joined AMIST Super as the Fund's dedicated Personal Money Coach.

David is available to give members advice on any aspect of their pension over the phone. So if you have questions about retirement options or you want investment advice, David can help you.

"What I like to do, for example, is show members the effect of changing some of their investments around," David says. "It's much more meaningful if I can show them a projection or an outcome using their actual details, rather than generalised data. That way, the member can make a decision based on the facts."

"And once the member decides what they want to do, I can also help them to put the new arrangements in place," he says.

As a specialist in retirement planning, David can also provide advice on the Age Pension, superannuation pensions and Transition to Retirement (TTR) strategies.

David is married and has an 18 month old son. He enjoys sports generally, but particularly those associated with wheels, engines and petrol.

To get in touch with David, simply call the **AMIST Super Hotline** on **1800 808 614** and ask to be put through to him. Getting David's advice over the phone will cost you nothing as this service is part of your membership of the fund.



If you have a question about anything to do with AMIST Super, why not ask it via email? Our email address for any enquiries is

service@amist.com.au

Changes to Superannuation

The only change that directly affects AMIST Pension members is the plan to cease the reduced minimum pension drawdown amounts from 1 July 2012. The other two changes may affect members that still have active superannuation accounts.

1) Reduction in the Minimum Pension Payments for Account Based Pensions

People who are in receipt of a superannuation "account based" pension (such as AMIST Super Pension) are required to draw down a minimum percentage of their pension account balance each year. The percentage is based on the pensioner's age, for example a person between ages 55 and 65 years must take at least 4% of their pension account balance as a pension during a financial year.

In early 2009, in response to the "global financial crisis" the Federal Government announced a temporary amendment to reduce the minimum percentage by 50% (meaning that a person between ages 55 and 65 years was only required to draw down 2% of their balance). This concession originally applied for the year ending 30 June 2009 only, however it was subsequently extended to cover the years ending 30 June 2010 and 30 June 2011.

In the 2011 Federal Budget the Treasurer advised that for the financial year ending 30 June 2012, the minimum pension amounts would be reduced by 25%; meaning that a member aged between 55 and 65 years would be required to draw down at least 3% of their pension account balance (i.e. 4% reduced by 25%). The Treasurer advised that this concession will expire at 30 June 2012, after which the full pension minimum percentages will apply.

2) Concessions for members with "excessive" contributions

In 2007 the Federal Government introduced limits to the amount of contributions that can be made by or on behalf of a member to a superannuation fund during a financial year. Where the limits are exceeded, the Australian Taxation Office will impose additional taxation on the member which may either be deducted from their superannuation account or paid as part of their personal income tax assessment.

In the 2011 Federal Budget the Treasurer announced a number of changes to superannuation.

It was identified that a number of people were inadvertently subject to the additional taxation due to circumstances of which they were unaware (e.g. the timing of their employer actually remitting contributions to their superannuation fund).

As a one-off "amnesty" the Government will allow members assessed as having excessive "concessional" contributions after 1 July 2011 to have excess contributions of up to \$10,000 removed from their superannuation fund and treated as assessable income (taxed at their marginal tax rate). Concessional contributions are contributions against which a tax deduction may be claimed (e.g. Superannuation Guarantee, Salary Sacrifice, contributions by a self-employed person that claims a deduction for those contributions).

This concession may only be claimed once and only applies to concessional contributions. Where the non-concessional contribution cap (e.g. voluntary after-tax contributions) is exceeded the additional taxation will be applied without exception.

3) Continuation of reduction of co-contribution rate

The co-contributions is a scheme whereby the Federal Government will match after tax contributions of up to \$1,000 made by members whose assessable income is below a certain amount (currently income under \$31,920 and up to \$61,920 per annum).

From 1 July 2009 the Federal Government announced a reduction in the rate of co-contribution from \$1.50 for every \$1.00 contributed, to \$1.00 for every \$1.00. Whilst this was originally intended as a temporary measure, the Government has kept the rate at \$1.00/\$1.00 for the 2010 and 2011 financial years.

In the 2011 Federal Budget the Government announced that the co-contribution will remain at \$1.00/\$1.00 at least up until the financial year ending 30 June 2013. The current proposal is that from 1 July 2013 the co-contribution will be \$1.25 for every \$1.00 contributed and \$1.50 for every \$1.00 from 1 July 2014 onwards.

Stronger Super

In addition to these changes, the Government has introduced the "Stronger Super" regime that seeks to improve the efficiency and governance of the Australian Superannuation System. The Government commissioned a number of reports and is currently considering the recommendations of a number of working groups associated with Stronger Super.

The Government is due to announce the Stronger Super master plan at the end of August 2011; however the main themes will be the establishment of "MySuper" which is proposed to be a simple, cost effective product for the vast majority of Australian workers who are currently in the default option of their current fund, plus the introduction of Super Stream which will enable funds and employers to work together to exploit the efficiencies provided by e-commerce initiatives to further drive down the costs to members.

Are you getting all of your entitlements?

Centrelink runs a Financial Information Service that can help you plan effectively for retirement and show you how you can maximise your overall retirement income. Just call 132 300 or go to www.centrelink.gov.au

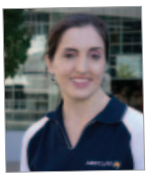
The Seniors Card entitles older Australians to a range of benefits provided by government and businesses. It's free and is issued to eligible senior residents in recognition of their contribution to the Australian community. Log on to www.seniorscard.com.au for more information and contact details of Seniors Card in your state or territory.

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Member Services

Meet our team of service professionals.

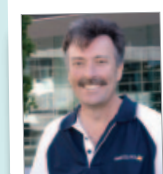
Remember our Member Services Managers are here to help you. Feel free to contact them.



The member services team is headed by **Melinda Gibson** who encourages you to call either of our Member Services Managers.



Royston Bennett on 0437 697 737 or roystonb@amist.com.au for Victoria, South Australia, Western Australia, Tasmania and Southern NSW.



David Ashton on 0434 043 785 or davida@amist.com.au for Queensland, Northern Territory and northern New South Wales.



AMIST Pension

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