

Annual Report

To Members

For the Year Ended 30 June 2011



the transport industry
superannuation fund

Driving your Super Future

Annual Report

To Members

For the Year Ended 30 June 2011



Fund Overview

The Transport Industry Superannuation Fund (Transport Industry Super) is operated as a regulated Fund under the Superannuation Industry (Supervision) Act 1993. The Trustee believes that the Fund has continued to operate as a complying Fund up to the date of this report.

The Trustee pays the expenses of operating the Fund and any taxes payable from the assets of the Fund in the manner prescribed in the Trust Deed.

The Trustee has Trustee Indemnity Insurance in place to protect the Trustee, its Directors and the Fund. The policy gives protection of up to \$5m on any one claim against the financial effects of any honest mistake or omission that may occur while running the Fund.

You should find most of the information that you need to know about the Fund in the Product Disclosure Statement (PDS), your Annual Member Benefit Statement and this Annual Report. You have the right to inspect or request copies of the following:

- Trust Deed;
- Australian Prudential Regulation Authority (APRA) Annual Returns, Certificates, Notices;
- Audited Financial Report and Auditor's Reports.
- Privacy Policy

Safety of Super

In an uncertain world, it is good to know that the management of your super is in good hands. Transport Industry Super's success in being granted a Registrable Superannuation Entity licence shows that we meet the rigorous capacity and competency standards set by APRA. More importantly, it reassures our members and employers that Transport Industry Super:

- Always acts in the best interests of our members
- Will continue to deliver the highest standards of service and management
- Meets APRA's 'fit and proper' test for Trustees
- Follows sound administration procedures
- Complies with risk management strategies and
- Maintains well-resourced, well-trained staff and service representatives.

Requests for further information to help you understand your benefits can be made by contacting the Administrator on **1800 777 060** or by posting your request in writing to:

The Transport Industry Super Fund

PO Box 2093, MILTON QLD 4064

Or refer online at www.tisfund.com.au for further information regarding the Fund.

Contact Details

Fund Trustee

T.I.S. Pty Ltd

Registered Office

1/123 Logan Road, WOOLLOONGABBA QLD 4201

Independent Chairman

Mr G J Hart AM

Employer Representatives

Mr D R McMillan

(02) 6041 6544

Mr B W Hicks

(03) 5872 2644

Mr G R Crouch

(02) 6923 3333

Member Representatives

Mr R D McIntosh

(02) 9313 8177

Mr G K Harmes

(02) 8003 4654

Mrs K Williams*

(03) 5283 1773

(* replaced Mr Hugh Kennedy on 13/12/10)

The Trustee Board is comprised of an independent Chairman, up to four employer representatives and up to four member representatives.

Employer and member representative directors are appointed for a term of three years.

Employer representatives directors are nominated by the Fund's participating employers.

Member representative directors are nominated by the members of the Fund.

Fund Administrator

SuperAdmin Services

PO Box 2093, MILTON QLD 4064

Free call:

1800 777 060

Telephone:

(07) 3391 6311

Facsimile:

(07) 3391 6177

Investment Manager (Listed Assets)

UBS Wealth Management Australia

GPO Box 5251, BRISBANE QLD 4001

Telephone:

(07) 3136 4442

Facsimile:

(07) 3136 4422

Investment Manager (other Investments)

The Trustee Board

Auditor

Crowe Horwath

GPO Box 736, BRISBANE QLD 4001

Telephone:

(07) 3233 3555

Facsimile:

(07) 3233 3567

The Trustee is independent of the Administrator, the Investment Manager and the other service providers to Transport Industry Super.

McCouaig & Co Pty Ltd as trustee for the Coolaroo Trust is an authorised representative of Total Financial Solutions Australia (ABN 58 003 636 968) AFSL 246545.

Contents

Topic	Page
A Message from your Directors	4
Investment Manager's Report.....	7
How your Account Works	9
Investments	11
Financial Report	15
Your Benefits.....	20
Death Benefit Nomination	23
Other Important Information.....	24
Further Information or Assistance	28

Member Benefit Statement

Your Member Benefit Statement for the financial year 1st July 2010 to 30th June 2011 is enclosed with this report. The information in this report should be read in conjunction with the PDS (available on request) and your Member Benefit Statement.

You will notice that your member numbers on your Member Benefit Statement have been changed from July 2008. Our new computer program renumbered all our existing member accounts at that time however your existing number is still recorded to identify your account and can be used to access information about your account.

Member Protection

If your account balance is less than \$1,000, the administration costs that can be charged must not exceed the investment earnings credited to your account (although a small charge, currently limited to \$10, may be deducted if the Fund's total investment earnings for a financial year are less than total administration costs). If member protection applies to your account, the difference between the standard fee and the maximum fee that can be charged to you under the member protection rules is shown on your statement as "Add back member protection credits"

Taxation and insurance premiums continue to be deducted from member accounts regardless of investment earnings.

If you have any questions or you would like to know more about any information in your statement please give the Administration Manager a call on **1800 777 060**.

A Message from the Directors

The Directors are pleased to report even though the investment climate for shares and property has been very difficult over the last 12 months the diversification of the T.I.S. Fund has meant that we have once again been able to exceed the objective of 3% greater than the rate of inflation in our returns to Members. The returns to Members for the 30th June financial year was a healthy 6.16%.

The Trustees have maintained their policy of diversification of assets and some of our listed Real Estate assets have performed exceptionally well to support the returns we received from our investments in equities and interest bearing securities.

Once again the Transport Industry drivers have supported us by joining our fund in increasing numbers. The Directors would like to thank all our Members for their support and recommending our services to their fellow drivers.

Member Benefits

The extra benefits we introduced last year are being accessed by more of our Members.

The online viewing has been well received and would like to remind all Members that they can access their accounts online. All you need to do is to ring the Administrator and they will assist you to gain access.

Our Family Protection rates are still very competitive and we have been negotiating with the underwriters to give our Members increased benefits and lower rates for their Family Protection needs. Long distance road transport drivers can increase their Family Protection up to \$200,000.00. The cost depends upon their age and health evidence is required. We have been able to provide cover for most of our Members who have applied so far.

A few of our Members have taken advantage of their ability to transfer to the Cash Option. This option should be considered by a Member for a whole or part of their account if they wish to draw on their Super Account in the short term. This account is designed so that the capital value of the amount you set aside will not decrease as the investments are made into interest bearing accounts in the bank.

It should be remembered that Members considering this option should keep in mind that the normal T.I.S. option could be expected to give greater returns over the longer term but those returns will fluctuate as the assets in the option fund rise and fall in value. The T.I.S. option has a diversified portfolio including Real Estate, Australian Equities, Overseas Equities and Fixed Interest investments.

Once again any Member seeking more information about any benefits or any other aspects of the fund please go to our web site www.tisfund.com.au or if more convenient by telephoning the Members Hotline on **1800 777 060**.

Directors

Your Fund is governed by a Board of six Directors plus an Independent Chairman. Three Directors represent the Employers and Three Directors represent the Employees and all are long term Transport Industry participants with the exception of the independent Chairman and who was introduced to you last year and who continues to be actively involved in the running of the Fund.

A new Director was appointed this year to replace Hugh Kennedy. Kathy Williams who is known to some of you from her high profile in industry associations and was also a senior manager in a large Transport Group. Kathy was appointed on the 13th December, 2010 and has taken an active role in the Fund affairs. Your Directors have a programme of continuous professional education to meet the rigorous APRA requirements for the Fund and thereby ensure the safety of all Members funds.

We are very pleased to report that director Geoff Crouch was appointed as the National President of NatRoad at the annual conference held in Townsville in August 2011.

Compliance

All aspects of the fund are monitored by Australian Prudential Regulator (APRA) which is the Department of the Commonwealth Government which is assigned to monitoring and supervising the performance of all Super Funds. The Directors have an ongoing dialogue with APRA and with Australian Securities and Investments Commission (ASIC) to ensure the fund and your Directors maintain a high standard of compliance and corporate governance with emphasis on providing safety and security for our members' benefits.

Asset Quality

As mentioned in the opening of this Report the Fund investments are diversified between a selection of high quality Australian and International Equities, Interest Bearing Securities, and unlisted Australian Real Estate. The valuation of some of our investment properties has increased over the past 12 months despite the market. The Fund Investment Manager for listed and fixed interest investments is UBS Wealth Management group, an internationally recognised Investment Manager. The UBS contribution to the Fund investment outcome since their appointment is invaluable.

A Report from UBS is included in this financial report.

Total Fund Gross Assets as at 30th June 2011 are in excess of \$84 million. This is a healthy increase from our last report of \$75 million in 2010.

Your Directors have maintained a close association with the Transport Industry over the last financial year by support for our strategic partners NatRoad and Transport Women and extended our support on behalf of our members for the Tarcutta Memorial.

The Directors acknowledge that Members who are wishing to maximise their retirement benefits have recognised the value of the Transport Industry Super facilities, particularly the low fees and many have rolled their funds into the T.I.S. Fund to avoid the fees from other funds that increase as you put more money into them.

We encourage Employers to make the Transport Industry Super Fund their default fund and we are confident that our activities to date and the actions of your Directors to expand our marketing to existing and new employers will further strengthen the Fund for our Members.

Your Directors are pleased with the progress of the fund for the 2011 financial year and thank all Members for their continuing support.

Fund Administration

Your Directors recognised the responsibility to address Administration Management succession planning as a part of good fund governance.

With effect from 1 October, 2011, Directors have appointed Diversa Superannuation Limited as the new fund administrator. Diversa brings experience and industry expertise to the fund and shares the vision that the Transport Industry Superannuation Fund remains a leading superannuation provider to the road transport industry.

The financial year 2011 has been challenging yet your Fund has produced a creditable result.

We thank all Members for their continuing support.

Graham Hart AM FAICD
Chairman

Investment Manager's Report

Despite an extremely turbulent 2010/2011 financial year, the ASX 200 Index managed to return 7.1% compared to the previous financial year where the ASX 200 Index returned 9% in the previous year. The materials sector was the clear outperformer for the year gaining 17.5% while the IT sector dropped 11.6% resulting in the worst performing sector in the market.

Global markets performed somewhat better than the Australian Market with the World Index posting a gain of 18.6% in this financial year. It was the US market which performed particularly well returning 27% across the major indices.

Both the Australian and global markets finished the financial year considerably weaker, which has set a negative tone for investing in risk assets in 2011/2012. The European debt crisis; weaker economic, consumer and business confidence; and the end of QE2 policy measures have all contributed to the negative finish to the year. There will likely be further market shocks ahead, in anticipation with investor risk aversion to remain elevated. Whilst our forecasts for recessions in the US and Europe are rising, it is not our base case that this will occur, although we do expect a scenario of lower growth across these regions to persist. Decisive action regarding the Euro Zone issues will bring relief and certainty to financial markets and this is the main problem that needs to be rectified.

Fixed Income as measured by the UBS Composite Bond Index returned 5.55% for the financial year with the RBA cash rate finishing the year at 4.75%. As at the end of the year, the Australian economy was showing obvious signs of stress outside the resources sector. As a result the market is pricing in rate cuts by the year end. In the last quarter, the UBS Composite Bond Index returned 2.33% as investors moved money from shares to Fixed Income in light of global uncertainty. Fixed Income continues to provide a good investment in times of financial stress, of which we have a significant portion of our funds in.

The Investment Strategy

The investment strategy continues to target ~7-8% per annum each year. This return figure is sensible as it means the assets aren't put at significant levels of risk. This ensures the investment strategy does well when markets are going well, and, protects your capital when markets are falling. The spread across asset classes as at June 30 2011 is below. You'll note we have identified next to each asset class how 'risky' they are and the way in which we expect them to contribute to the portfolio.

ASSET CLASS	ALLOCATION	RISK/CONTRIBUTION TO RETURNS
Cash	11%	Capital stable produces income
Fixed Interest	21%	Capital stable produces income
Australian Equities	35%	Growth with high levels of tax effective income
Property	20%	Income producing with diversification benefits
International Equities	9%	Growth with diversification benefits
Alternative	4%	Growth with diversification benefits

Please note that the proportion of capital stable/income assets vs. growth assets is ~45%/55%. This means that the portfolio is taking reasonably low levels of risk to achieve its returns, and most important, your superannuation always has a large proportion of the assets in safe and liquid investments.

The overall portfolio was up 6.159% which compared to the Australian Stock market of 7.1% is very good particularly considering the T.I.S. fund is taking almost half the risk to achieve its return.

Important to note also, we made large changes to the investment strategy in February following a directive of the board to target greater 'outperformance' within the investment strategy. At the time of writing this, we've witnessed 6mths of the new strategy's performance, and the results are very promising. This leads to a positive outlook for next financial year – particularly relative to peers.

How your Account Works

All contributions paid into Transport Industry Super by you, your employer, government co-contributions, as well as any superannuation money you transfer into Transport Industry Super, are placed into your personal account, after deduction of any taxes required by legislation.

Your account with Transport Industry Super has 2 parts:

- (a) The cash component of your account is up to \$300 of your investment that is held in capital secure investments from which fees and expenses applicable to your account will be deducted, eg. Administration Fees and Group Life premiums (if applicable). If your account balance is less than \$200, the whole of your account balance will be in this account.
- (b) The second component is the remainder of your account balance, which is at present invested in the T.I.S. Option investment strategy or the T.I.S. Cash Option or both depending on your election.

The total of all cash components as described in (a) above are held in cash and easily realisable assets so that the capital amount does not fluctuate as does the units in your T.I.S. Option.

As your expenses are paid out of this account they are reimbursed from receipts.

If there are no receipts before the balance of the account reaches \$25, the account is topped up to \$200 by the surrender of a requisite number of units in your T.I.S. Option Account.

The revenue earned on total member account balances is used to cover total Fund expenses and member protection.

If the revenue received is insufficient to cover expenses, the extra expenses will be paid from a provision made before the unit price is determined.

If revenue received is greater, then each account will receive a credit in terms of the Reserving Policy.

The options described in (b) above are the T.I.S. Option and the Cash Option. These balances are held in units and employ a unit pricing system to account for members' benefits. This means your account balance will be updated at each unit pricing date.

Currently the assets of the Fund are revalued and the unit price is set on a half-monthly basis. The Trustee reserves the right to change the unit pricing valuation timing if they believe it is in the best interests of the members or in the event of an "unusual happening".

To be fair to all our members, there is a differential between the buy and sell price which is equivalent to the estimated disposal costs of the assets in that particular asset option. In the T.I.S. Option the differential is the estimated cost to sell the assets in

the Fund for example, the brokerage, commission to agents etc. The cash option does not have any difference between the price of the buy and sell price as the funds are invested in interest bearing accounts mostly on demand so the realisation of assets will not incur any selling costs.

Funds coming in to your account will be processed at the 'buy' price and members withdrawing all or part of their benefits from the Fund will surrender their units at the 'sell' price.

Assets are valued at market price. Unit prices reflect investment income and changes to the value of the assets for each investment, less projected management fees and taxes.

The Fund adopts a forward pricing model. If we receive your contribution between the 1st and the 15th of the month your account will be credited according to the unit price struck on the 15th of the month.

Similarly the receipts and payments realised between the 15th and last business day of the month will be processed at the unit price set at last business day.

Your member statement will show the number of units you have in your T.I.S. Option Account and your Cash Option Account. The unit price of these units at 30 June will also be shown.

All the relevant expenses associated with administration fees and contributions tax etc are clearly set out for you in the statement.

Online Viewing

Member Online Access is a secure facility that lets you keep track of your super at any time if you have access to a computer and the web. You can view your personal details, account balance, insurance cover, employer contributions, change your contact details, produce your own statements and more. If you would like to register, please complete the Member Online Viewing Application located in the Publications section of the website www.tisfund.com.au or call **1800 777 060**.

Reserving Policy

Members have a Cash Account held in their name of up to \$300. The capital in this account is secured as the sum of the account balances are held in capital secured investments. The revenue earned from these investments is applied:

- (a) To pay Fund expenses including Trustee fees, regulatory fees etc.
- (b) If the amount remaining at the end of any financial year after payments in (a) above have been satisfied averages to less than \$5 per member account then the amount will be held as a reserve to be applied towards the expenses for the next financial year.
- (c) If the amount in (b) averages to greater than \$5 per member then the total will be credited to each individual members account as an equal dollar amount.

The level of reserves over the last 3 years has been:

2009	2010	2011
\$1,134,138	\$887,529	\$985,198

Use of Derivatives

Derivatives are financial investments such as options, futures and swaps. The Trustee does not enter into any derivatives contracts directly. However, any of our Fund Managers may use covered derivatives in any of the pooled investment products that they manage.

The Fund Managers who invest directly in derivative instruments must adopt a Risk Management Statement. This Risk Management Statement sets down the controls in place to protect against the improper use derivatives.

The Trustee has reviewed and adopted the Risk Management Statements of each Fund Manager and is satisfied that these are in keeping with Transport Industry Super investment strategy.

What happens to your benefit if you die or become totally and permanently disabled (TPD)?

To ensure your benefit is not affected by market fluctuations, in the event of your death or on the Trustee determining that you have become TPD, your T.I.S. Option Account balance will be transferred to the Cash Option Account. This balance will then attract the earning of the Cash Option Account until your benefit payment is made.

The balance in your Cash Account will be maintained to cover administration fees, etc.

Investments

Trustees introduced as of 15/09/2010 a Cash Option for members to enable them to transfer all or part of their account balance to an investment mix with a lower downside risk than the current T.I.S. Option.

Investment Risk

Investment risk can be defined as the likelihood of an investment performing more poorly or much better than expected. If there is a high chance of negative returns, the investment is considered high risk. Conversely, if there is a low chance of a negative return this is considered low risk.

The Fund's investment strategy is designed to minimise the chance of negative returns from fund assets.

Diversification of fund assets and implementation of the investment strategy is designed to take advantage of asset value increases when investment markets are performing well.

Investment Objectives

T.I.S. Option

The Trustee has developed an investment strategy which should produce a total return consistently in the top 20% of all superannuation funds with a similar investment profile. It is the primary aim of the Fund Trustee to grow your super account at least 3% over the rate of inflation measured over rolling 3 year periods. In order to achieve these returns the Trustee will position all investments in the various sectors commensurate with the risk profile of the Fund. Each sector is measured against an index and the benchmarks as shown over are sufficiently wide to give the Fund flexibility to assist with the reduction in the volatility of returns to members.

In achieving a specific objective return the Trustee has a low expectation of negative returns. However it is acknowledged that the Fund may have to tolerate a negative return in any five year investment period.

Strategic asset allocation has been developed to cover these objectives and tactical tilt has been applied to take advantage of the macro outlook within a range as agreed.

T.I.S. Cash Option

The Cash option is expected to return cash management rates from time to time (less tax payable by the Fund at 15% and administration expenses).

This investment option will be managed with minimal downside risk however the returns over longer term will generally be lower than a more growth orientated option such as the T.I.S. Option.

The capital downside in this option will be minimal however members should consider that in some circumstances the option may not yield enough to preserve the real value of your investment, that is the value of your investment adjusted for inflation.

The Investment Strategy

T.I.S. Option

The Trustee will at all times act prudently to pursue the maximum rate of return possible from each sector investment and to keep the Fund diversified to achieve a protection against the downside risk in a particular asset class. The Trustee will elect to diversify amongst the following asset classes.

- Cash
- Fixed Interest
- Listed Securities
- Listed Property
- International Equities
- Direct Property
- Alternative Assets

Special mention should be made of the units invested in the Glenmore Unit Trust. This represents 14.1% of the Total Fund Value. This trust holds two self-storage assets and a vacant block of ground which is zoned for retail warehouses type development. Both the self-storage properties are over 85% rented and expansion throughout the year has increased the return on this investment. The properties enjoyed a net increase in their book valuation.

Another asset you should note is the Deferred Tax Asset which represents 2.4% of the Total Fund Value. The Trustee has developed a policy where deferred tax assets are monitored regularly to ensure their level is within a margin that can be recouped by the members in a three year timeframe.

More information is available from the Administration Manager by calling **1800 777 060** or going online.

The asset allocation, and benchmark ranges at the **30th June 2011**, is as follows:

	% OF FUND ASSETS	STANDARD BENCHMARK %	BENCHMARK RANGE %
Cash	11	10	2-20
Fixed Interest	21	22	5-50
Australian Equities	35	30	0-45
Property	20	24	0-40
International Equities	9	11	0-25
Alternative	4	3	0-20

T.I.S. Cash Option

The Trustee objective for this option is to invest the total balance of this option in bank accounts and cash management accounts offered by banks. If this changes you will be notified in the Annual Report.

The benchmark return of this option is the cash management rates offered from time to time less superannuation tax payable (currently 15%) and allowance for administrative expenses of 0.4%.

However any other investments chosen will be in assets which are unlikely to decrease in capital value over the invested period eg government or corporate bonds etc.

How is growth earned in your account?

The number of units in both your T.I.S. Option Account and your Cash Option times the unit price will reflect your share of the total option assets. The balance of your account will vary each time a unit price changes.

Your investment in your option is reviewed half-monthly and the value of the units you hold will increase or decrease depending upon the investment climate.

The unit pricing mechanism gives each member an equitable interest in the Fund whether you are contributing to the Fund or you are withdrawing money from the Fund.

Annual Rate of Return

The increase in member account balances for each of the last 5 years is:

OPTION	Since commencement return p.a.	1 YEAR	3 YEARS p.a.	5 YEARS p.a.	10 YEARS p.a.
T.I.S. Option	n/a	6.16%	-1.11%	0.29%	4.47%
Cash Option*	4.16%	n/a	n/a	n/a	n/a

(* commencement date 15/09/10)

Note: Returns are calculated after fees and expenses and assumes the reinvestment of distributions. Past performance is not a reliable indicator of future performance. Return can be volatile and future performance may vary widely from returns shown here.

Financial Report

The Trustee is satisfied the abridged financial information derived from the financial statements provided below represents a true and accurate record of the changes to the Fund's net assets during the financial year and at the net asset position at the 30th June 2011.

A full report and financial statements are available to members on request.

THE TRANSPORT INDUSTRY SUPERANNUATION FUND STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2011

ASSETS	2011	2010
Investments		
Fixed interest securities	17,304,196	16,993,858
Shares in listed companies	36,870,330	32,188,027
Real estate properties	5,046,850	5,266,100
Managed Investments	12,559,595	12,557,542
Alternative Assets	572,148	-
Total Investments	72,353,119	67,005,527
Other Assets		
Cash & Cash Equivalents	9,296,383	6,260,553
Investment Income Receivable	1,086,025	510,521
Account Receivable	2,903	4,444
GST Receivable	37,383	27,875
Deferred tax asset	1,993,503	2,023,525
Partitions & Fittings	47,656	50,164
Total Other Assets	12,463,853	8,877,082
TOTAL ASSETS	84,816,972	75,882,609

**THE TRANSPORT INDUSTRY SUPERANNUATION FUND
STATEMENT OF FINANCIAL POSITION**

For the year ended 30 June 2011

LIABILITIES	2011	2010
Payables		
Trade and other payables	189,495	202,239
Total Payables	189,495	202,239
Tax Liabilities		
Current tax liabilities	247,358	260,441
Total Tax Liability	247,358	260,441
TOTAL LIABILITIES	436,853	462,680
NET ASSETS AVAILABLE TO PAY BENEFITS	84,380,119	75,419,929
Represented by: LIABILITY FOR ACCRUED BENEFITS		
Allocated to members' accounts	84,380,119	75,419,929
Not yet allocated	-	-
	84,380,119	75,419,929

**THE TRANSPORT INDUSTRY SUPERANNUATION FUND
STATEMENT OF FINANCIAL POSITION**

For the year ended 30 June 2011

REVENUE	2011	2010
Contributions Revenue		
Employer Contributions	8,477,101	8,061,113
Member Contributions	167,697	135,202
Government co-contribution	62,865	124,867
Transfers in	1,482,898	1,120,860
Total Contributions	10,190,561	9,442,042
Investment Revenue		
Interest	35,345	58,350
Dividends	4,391,055	2,945,900
Trust Distributions	819,493	768,886
Property income	199,874	233,528
Changes in net market values	1,308,908	2,020,065
Total Investment Revenue	6,754,675	6,026,729
Other Revenue		
Proceeds from group life policies	234,000	148,500
Other revenue	204	357
Total Other Revenue	234,204	148,857
TOTAL REVENUE FROM ORDINARY ACTIVITIES	17,179,440	15,617,628

**THE TRANSPORT INDUSTRY SUPERANNUATION FUND
STATEMENT OF FINANCIAL POSITION**

For the year ended 30 June 2011

EXPENSES	2011	2010
Group Life		
Group Life Expenses	385,548	387,542
Total Group Life Expenses	385,548	387,542
General Administration Expenses		
Administration expenses	617,707	616,534
Trustee fees	111,803	94,916
Depreciation	65,965	64,269
Investment Management Fees	521,241	481,231
Property Expenses	140,978	150,253
GST Paid	26,790	26,742
Other	47,832	83,424
Superannuation contribution surcharge	-	2,626
Total General Administration Expenses	1,532,316	1,519,995
TOTAL EXPENSES FROM ORDINARY ACTIVITIES	1,917,864	1,907,537
BENEFITS ACCRUED AS A RESULT OF OPERATIONS BEFORE INCOME TAX	15,261,576	13,710,091
Income Tax Expense	1,043,330	1,483,906
Prior Year Under/ Over Provision	(54,970)	43,338
	988,360	1,527,244
BENEFITS ACCRUED AS A RESULT OF OPERATIONS	14,273,216	12,182,847

THE TRANSPORT INDUSTRY SUPERANNUATION FUND STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2011

The T.I.S. Fund's investment managers at 30 June were:

Trustee		
Glenmore Developments Unit Trust	Property	11,926,795
AXA Subordinated Floating Note	Interest Bearing	400,000
Properties		5,046,850
		17,373,645
UBS Wealth Management		
UBS Cash		7,977,413
Listed Shares		36,870,330
Fixed interest securities		17,304,196
		62,151,939
Other Fund Managers		
Gresham Private Equity Co-investment Fund	Unlisted Unit Trust	219,300
JB Were Private Equity Fund	Unlisted Unit Trust	13,500
		232,800
Cash and Other Investments		4,621,735
Total Investments		84,380,119

Investment

Note: Past performance is not an indication of future performance. Returns can be volatile and future performance may vary widely from returns shown here.

Your Benefits

When can you access your benefits?

Superannuation is a long-term investment for your retirement.

Generally speaking, superannuation savings are not accessible until you retire on or after your preservation age.

- The preservation age for persons born before 1st July 1960 is 55.
- The preservation age for persons after 1st July 1964 is age 60.
- For members born between those dates there is a phase in preservation age between age 56 and age 59.

What will you receive?

When you withdraw or transfer your money from Transport Industry Super, you will receive the balance of your account, less a termination fee of \$65. This is referred to as your lump sum benefit. If you die, or become totally and permanently incapacitated from work, the payment from the Fund may include an extra amount if you have insurance cover.

You may be able to cash out some of your superannuation savings earlier. For example, when you change jobs you can take out your own after-tax contributions provided they were paid in prior to 1 July 1999.

Early release of benefits

Current legislation allows for early release of benefits in some circumstances such as those listed below.

- Preserved benefits less than \$200
- Financial Hardship
- Release of Benefits on Compassionate Grounds
- You die or become totally and permanently unable to work in your own or similar occupation
- You are a foreign national who has permanently left Australia.

If you would like further information regarding the early release of benefits, please refer to the PDS or contact the Administrator on **1800 777 060**.

Change of address **IMPORTANT!!**

Please remember to notify us about any change in your contact details so that we can keep in touch with you about your superannuation account with Transport Industry Super.

Changing Employers

If you change employers, you can choose whether to leave your superannuation account in Transport Industry Super, or transfer it to another Fund. If you are eligible under the Choice of Superannuation Fund legislation, your new employer should give you a Choice of Superannuation Fund - Standard Choice Form within 28 days of your commencement of employment.

All you need do is complete part A of the form and return it to your employer or give us a call on 1800 777 060 and we will be more than happy to help you with the details of how to select Transport Industry Super.

Insurance

Transport Industry Super provides insurance protection for all members aged under 60 who are employed by an employer that contributes to Transport Industry Super on their behalf. The amount of insurance cover you will have will depend on your age.

- If you are age 25 or less you are insured for \$30,000.
- If you are aged 26 to age 50 (inclusive) you are insured for \$45,000.
- If you are aged 51 to 60 your cover will reduce by 10% pa so at age 51 your cover will be \$40,000 and at age 60 your cover will be zero.

Your insurance cover begins when you join Transport Industry Super, provided the balance of your account is sufficient to cover premiums, and your employer has agreed to make their Superannuation Guarantee (SG) contributions to the Fund.

Should you cease employment with your contributing employer, all insurance cover lapses unless you elect to exercise the continuation option terms and premiums cease to be deducted from your account 30 days after the end of the month in which you ceased employment with your employer.

Upon recommencing employment with another contributing employer, your insurance cover is re-instated and premiums are again deducted from your account.

Terminal Illness

The policy now includes a benefit to our members where if our member's life expectancy is not greater than 12 months and the medical evidence shows that the member's life expectancy is not greater than 12 months, then the death benefit could be paid out.

Leave Without Pay

Our policy has provision that our members can retain their cover where the member is on leave without pay from a participating

employer. There are conditions on this so it is very important that our members contact the Administrator if they are eligible to take advantage of this provision. This provision needs to be opted in by our members.

Continuation Option

Subject to cessation of cover clause if you leave your employer for any reason (other than disablement) and you are qualified to be covered under the Group Life Plan, you may apply to the insurer to continue your insurance cover against death for an amount not exceeding the amount for which you were insured and subject to the terms and conditions of the policy. Therefore it is very important that you contact us as soon as you leave or change your employer.

Insurance Premiums

Premiums are deducted from your account balance on a monthly basis and consist of:

Death Only Cover: \$2.00 per week

Death & TPD Cover: \$3.85 per week

For further information regarding your insurance arrangements, please refer to the PDS or contact the Administrator on **1800 777 060**.

Who are your dependants?

Superannuation legislation currently defines a dependant as:

- (a) A spouse,
- (b) A child,
- (c) A person who had an interdependency relationship with the deceased member, and
- (d) Any person who was financially dependent on the member at the time of the member's death.

T.I.S. Family Protection Plan

The T.I.S. Family Protection Plan allows members under 60 years of age to apply for voluntary additional death and TPD cover.

The terms and conditions of the T.I.S. Family Protection Plan are detailed in the same Group Life Plan policy document as the compulsory cover. Suncorp Life & Superannuation Limited ABN 87 073 979 577 is the current insurer of these benefits.

The T.I.S. Family Protection Plan provides valuable insurance protection for members over and above the basic cover provided under Transport Industry Super. The T.I.S. Family Protection Plan is designed to protect the income earning abilities of a

member and/or their family assets in the event of their untimely death or Total and Permanent Disablement (TPD). It could be utilised to pay out mortgages, provide an investment to produce income for the family and/or many other uses depending upon the individual member's circumstances.

The T.I.S. Family Protection Plan is available in units providing \$50,000 of Death only or Death and TPD cover for each unit. Limits and terms of cover exist on the number of units of cover available for different occupation groups.

Long haul drivers are not eligible for TPD cover.

The investment needed to protect your family and assets will depend upon your age, occupation, gender, and the type, and level of cover needed.

The advantage of our plan is that premiums for cover will be **automatically deducted from your superannuation account** on a monthly basis and the **tax deduction to Transport Industry Super will be re-credited to your account** on a monthly basis.

What does it cost?

For a full explanation including premiums, conditions etc ring **1800 777 060** or email us at **info@tisfund.com.au** and we will send you the information or refer to our website **www.tisfund.com.au**.

Death Benefit Nomination

Transport Industry Super provides the following options with respect to how your benefit will be dealt with upon your death.

- No Nomination
- Non-Binding Nomination
- Binding Nomination

(Note: Your nominated beneficiaries must meet the definition of dependants at the time of your death. Therefore it is important that you keep your nomination up to date. We recommend that you seek legal advice before submitting your nomination to the Trustee).

Other Important Information

Tax File Numbers (TFN)

It is in your interest to give your superannuation fund your TFN when you join. You do not have to do so, but if you do not provide your TFN you may pay tax at a higher rate than necessary. If you do not have a TFN, contact the Australian Taxation Office (ATO) on 13 10 20.

If we do not have your Tax File Number your account will be charged tax at the rate of 46.5% for all employer contribution rather than the normal rate of 15% on employer SG contributions and the Fund will be unable to accept undeducted member contributions – any received will be refunded. So, if you haven't already, give the Fund your Tax File Number by calling 1800 777 060.

Super Match

The Trustee offers you the ability to locate any "lost" superannuation and consolidate it into one account with the Fund, **free of charge**. If you have already provided your TFN the Trustee will periodically run a check over the ATO's database on your behalf. If you wish to notify the Trustee of your TFN please call the Fund's Administrator and ask for a TFN Notification Form to be sent out to you.

If you do not want us to provide this service to you please contact us on 1800 777 060.

Lost Members

In accordance with Commonwealth Government regulations we may record members as 'lost' where we have sent at least one communication to you at your last known address and it has been returned to us as unclaimed and after reasonable effort and time we are unable to locate you.

The Trustee regularly reports lost member details to the ATO. If you become a lost member, you will be able to trace your benefit through the ATO Super Seeker online search at www.ato.gov.au/super or by contacting the ATO on 13 10 20.

Unclaimed Money

Any unclaimed money from 1 July 2010 will be sent to the ATO and not the Public Trustee of Queensland as previously advised.

Account balances will be sent to the ATO as unclaimed super monies in the following circumstances:

- Member accounts with balances less than \$200 with whom we have lost contact.

- Accounts for members aged over 65 or accounts with balances over \$200 where we have insufficient records to identify the owner of the account and the account has been inactive for over 5 years.
- Other super monies for example, non-member spouse, former temporary residents and monies for deceased members where the amounts payable meet the criteria as set out by the ATO.

If you are in any doubt if your account has been forwarded to the ATO as unclaimed super money, please contact the Administrator.

Surcharge Payments

Surcharge payments advised by the ATO will be drawn from individual members' accounts.

Eligible Rollover Fund

What happens if we don't know your address?

It is imperative that all our members advise us of their address. The Trustee has decided if we do not know your address, and the balance of your account is less than \$300.00, then we will send that balance to an Eligible Rollover Fund.

This does not mean that your retirement benefits will be reduced however, the charge structure of an Eligible Retirement Fund may be different to Transport Industry Super even though we ensure your balance will not reduce by any more than \$10.00 in any year.

This policy is under constant review by the Trustee due to the high cost of Member Protection for all our members.

We recognise that our members do move around a lot and that most of our members do notify us of address changes, however, it is important that all members are aware of the importance of this to prevent transferring out of Transport Industry Super.

At this stage the Trustee intends to transfer out twice a year in the October / November period and the April / May period.

This means that all members who are transferred will no longer be members of the T.I.S. Fund and will become members of AUSFund. AUSFund can be contacted at

Ph: 1300 361 798
PO Box 2468, KENT TOWN SA 5071

Your Privacy

Protecting your privacy is a normal part of our operations.

The Trustee has outsourced the administration of the Fund to the Fund's Administrator. This includes all information processing, record keeping and claims management. The Administrator collects information about members on behalf of the Trustee. The information you provide to the Fund will be processed and retained by the Administrator. You are able to

access information the Trustee or the Administrator hold about you on request, and update any information that is inaccurate or out-of-date.

Information is collected from you for the purpose of managing your superannuation account. This includes admitting you as a member, administering your account and identifying when you may become entitled to benefits.

Information about you will be given to the Fund's insurer. If you subsequently make a claim for an insurance benefit, information about you may be disclosed to doctors and other experts nominated by the Fund's insurer. In addition, if there is any dispute about your entitlement, the Trustee or the Administrator may disclose information about you to other advisers (for example, legal advisers). By signing the Application for Membership, you consent to the disclosure of information about you for those purposes.

We may also be required by law to disclose information about you (for example, to the ATO or Centrelink).

If you do not provide the information required, the Trustee may be unable to properly administer your benefits and notify you about your entitlements.

You can view our privacy policy and the information Transport Industry Super holds about you by contacting the Fund's Administrator or by visiting www.tisfund.com.au.

Fund Compliance

To receive concessional tax treatment, Transport Industry Super must operate in accordance with superannuation law. The Trustee lodges a return each year with the APRA, indicating our compliance with the relevant law. The Trustee is not aware of any matter that would cause Transport Industry Super to lose its complying status.

Trustee

The Trustee Board is comprised of an independent Chairman, up to four employer representatives and up to four member representatives.

Employer and member representative directors are appointed for a term of three years.

Employer representative directors are nominated by the Fund's participating employers. Member representative directors are nominated by the members of the Fund.

Complaints resolution

The Trustee has established a procedure for dealing with member's inquiries and complaints.

Please address any complaints in writing to Doug McMillan, the Director at:

Transport Industry Super

PO Box 2093, MILTON QLD 4064

Members' complaints are required by law to be properly dealt with within 90 days after they are made. If you are not satisfied with a decision of the Trustee, you may contact the Superannuation Complaints Tribunal (SCT).

The SCT is an independent body established by the federal Government to review Trustees decisions relating to members' complaints where a resolution has not been reached.

The SCT may be able to assist you, but only if you are not satisfied with the Trustee's handling of your complaint. If the SCT accepts your complaint, it will attempt to resolve the matter through inquiry and conciliation.

If conciliation is unsuccessful, the complaint is formally referred to the SCT for a determination. You can contact the SCT by calling **1300 884 114** or by writing to:

Superannuation Complaints Tribunal

Locked Bag 3060, MELBOURNE VIC 3001

Further Information or Assistance

For a copy of our PDS, further information regarding your Annual Member Statement or any topics covered in this Annual Report, please contact the Administrator on **1800 777 060** Monday to Friday or via email to **info@tisfund.com.au**.

Further information may also be obtained from our website at **www.tisfund.com.au**.

This Annual Report includes some general information about topical superannuation issues. Nothing in this document should be relied upon as advice or take the place of professional advice. You should also note that this document has been prepared without taking into account the individual objectives, financial situation or needs of any person. You should contact a licensed financial adviser if you require advice before making a decision about this product.





the transport industry
superannuation fund

Driving your Super Future

The Transport Industry Superannuation Fund

ABN 68 564 370 287
RSE Registration No. R1005516

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Trustee: T.I.S. Pty Ltd

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RSE Licence No. L0002349

PO Box 2093, Milton QLD 4064

The Transport Industry Superannuation Fund
Annual Report for the year ended 30 June 2011