

## Chairman's message



I am pleased to present the UniSuper Report to Members for the financial year ended 30 June 2009.

The 2008/09 financial year was one of the most challenging UniSuper has faced in its 26-year history. For the second year in a row, markets around the world fell as a result of the compounding effects of the global financial crisis.

UniSuper is concerned that the negative returns experienced over the last two years have had a profound effect on the retirement savings of many of our members, and might have shaken their confidence in the system and institutions entrusted with managing their savings.

In this environment, I would like to assure you that our challenge and our commitment at UniSuper remain unchanged. That is, we continue to make prudent investment decisions designed to deliver strong long-term results while also catering to the needs of members requiring access to their funds in a shorter timeframe. We remain a dedicated provider of superannuation services to employees of Australia's higher education and research sector, and continue to provide a level of service that can inform, educate and, where appropriate, provide personal advice to help members achieve their individual retirement goals.

### Accumulation Super and Account-Based Pensions

Members with Accumulation Super, Flexi-Pension or Term-Allocated Pension accounts have been most directly impacted by the falls in investment markets.

Those invested in options with higher proportions of growth assets, such as shares and property, have generally experienced negative returns over the full financial year, although this has partly been counterbalanced by a strong recovery in global share markets since March. By contrast, those invested in the Cash and Australian Fixed Interest investment options earned positive returns on a full financial year basis. Full details of UniSuper's 2008/09 investment performance is provided in the section Markets and the Fund.

Importantly, the performance of UniSuper's investment options has remained strong over longer terms and relative to both market benchmarks and competitors. Full details on the performance of each investment option are provided in the Investment Returns section.

## Defined Benefit Division (DBD)

For members of UniSuper's Defined Benefit Division (DBD), there have been several important developments to report.

In November 2008, members received a letter informing them of the financial position of the DBD and the action that UniSuper may need to take to secure its financial future. Then, in June 2009, following receipt of the triennial review of the DBD from the Fund's actuary, the Board decided to initiate the process described in Clause 34 of the UniSuper Trust Deed. This process allows the Trustee to respond to the possibility of prolonged market downturns and maintain the ongoing health of the DBD.

More information on the financial position of the DBD, and the operation of Clause 34, can be found in the Defined Benefit Division section of this report. Ongoing updates can be found at the website [www.unisuper.com.au/DBDupdate](http://www.unisuper.com.au/DBDupdate).

## Looking Ahead

Despite the very real impacts of recent market volatility, I can assure you UniSuper's Board has confidence in the investment options that are available within the Fund, and in their ability to grow your retirement savings over the long term. Over the coming year, members can look forward to some further enhancements to UniSuper's products and services, including the launch of a new financial planning capability towards the end of 2009.

On behalf of the UniSuper Board, I look forward to the opportunity to continue serving your retirement savings needs into the future.

### **Elizabeth Bryan**

Chairman