

# Annual Report

## Goldman Sachs & Partners Australia Superannuation Fund<sup>#</sup>

For the year ended 30 June 2010

Issued by BEST Superannuation Pty Ltd ABN 57 070 732 008, RSE Licence Number L0001939 as trustee of the Goldman Sachs & Partners Australia Superannuation Fund ABN 55 697 537 183, Registration Number R1005271.

Look inside to see:

- how your super is performing
- where your super is invested
- how your Fund works
- super news
- what to do if you leave

## From the Trustee — the year in review

On behalf of the Board of Directors, I am pleased to present the 2010 Trustee Report to Members.

This Report is a great opportunity to:

- get detailed information about your super Fund, who manages it and how it is managed
- learn more about how your investments have performed, and
- get detailed information about changes in the super environment and how they might affect you.

Highlights for the year were:

- The Fund continued to be the No 1 ranked fund in the APRA 5 year return survey. APRA produced a report based on fund performance of the 200 largest funds (by asset size), covering the five-year period from 2005 to 2009. The Goldman Sachs & Partners Australia Superannuation Fund was ranked No.1 out of the 200 funds, outperforming the 2nd ranked fund by 2.8% on average over the past 5 years. This is a great result for our members.
- An excellent 1 year return (to 30/6/10) of 13.2% which was 3.3% above the Fund's benchmark\*.
- An excellent 5 year (to 30/6/10) return of 7.5 p.a. % which is 4.5% above the Fund's benchmark\*.
- Retaining the opportunity for JBWere employees to participate in the Fund.
- Member information seminars were held in Melbourne and Sydney during February and were well attended. We intend to run further sessions towards the end of 2010. The focus of the information sessions this year will be the improved insurance arrangements that will be available to members from 1 January 2011 (see page 10).
- The Trustee negotiated a 30% reduction in the cost of the Salary Continuance premiums.

- Simplification of the insurance underwriting requirements. This means that when you apply for any insurance cover or an increase in cover, the insurer's health evidence requirements for most levels of cover have been eased.

Once again I wish to thank my fellow Trustee Directors (Paul Sundberg, Hamish Tadgell, Mark Levinson, Frank Macindoe and Craig Murray), members of the investment committee (Frank Macindoe, Hamish Tadgell, Mark Levinson, Sally Campbell, Chris Pidcock, Giselle Roux, Andrew Cooke, Gavin Rogers and Matt Ross) and the Trustee Company Secretary (Bohdan Abrat) for their significant contribution to the operation of the Fund. I would also like to thank the Directors who resigned during the year Andrew Gray and Justin Arter and also to Lisa Gay who resigned as the Trustee Company Secretary after providing many years of excellent service to the Fund.

I encourage you to visit the Fund's website at [www.gsibw.superfacts.com](http://www.gsibw.superfacts.com) where you can access up-to-date information about superannuation generally and about your Fund and your own benefits specifically. General information on superannuation is also available when you enter the website. To access specific Fund information and details of your own benefits you need to have the contact details already provided to you (member number and PIN). If you have misplaced these, please ring the Helpline.

The Trustee and Goldman Sachs & Partners Australia are pleased with the progress of the Fund over the past year and of the benefits it provides to members. If you have any questions about your superannuation, please call the Helpline on 1800 025 026 or write to the Fund Secretary (see page 15 for contact details).

### Angela Manning

Chairman  
BEST Superannuation Pty Ltd  
On behalf of the trustee of the  
Goldman Sachs & Partners Australia  
Superannuation Fund.  
October 2010

\* Mercer Employee Super Balanced Growth survey median

<sup>#</sup> Please note the Fund name changed from Goldman Sachs JBWere Superannuation Fund to Goldman Sachs & Partners Australia Superannuation Fund on 2 August 2010.

# Your 2010 Annual Member Statement

The Trustee must give members information about transactions and fees in their annual periodic statements. Statements given to members need to include information about:

- the fees you paid, either directly by deduction of an amount from your account, or indirectly by way of an allowance in the crediting rate for the costs paid from the assets of the Fund including investment management costs; and
- details of each transaction in relation to your accounts (if any) during the period. This includes the contributions you made or that were made on your behalf and deductions made directly from your accounts.

To provide you with this, your annual information includes a combination of the following:

- Your Member Statement which includes details about your benefits, account balances and information on fees and transactions;
- The Annual Report which includes additional information about the Fund.

Your Member Statement and the Annual Report together comprise your periodic statement for the year ended 30 June 2010.

If you have any questions about your Member Statement, please call the Helpline on **1800 025 026**.

## Credited interest rates

For the accounts of members with accumulation balances and designated accounts for Defined Benefit members, estimated monthly crediting rates are set reflecting the monthly investment returns (which may be positive or negative). These estimated rates are used in calculating the benefits of members who leave the Fund during the year. Final monthly rates are set at the end of the financial year and these rates are credited at June 30. The monthly rates are applied to account balances and contributions.

Final Rates over the year were:

2009		2010	
July	6.37%	January	-3.80%
August	4.24%	February	1.49%
September	4.72%	March	4.16%
October	-0.81%	April	-0.88%
November	0.79%	May	-3.97%
December	3.48%	June	-2.62%

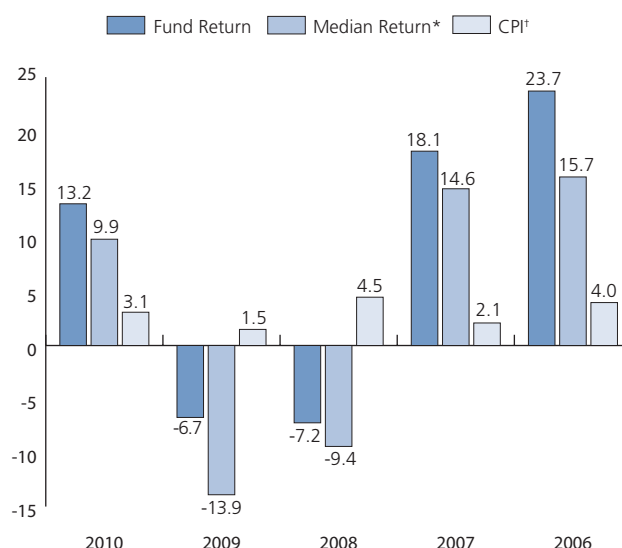
**For the year ended 30 June 2010 the effective crediting rate was 13.2% p.a.**

Note that during the year and for any month or period for which a crediting rate is not available interim interest crediting rates are used to pay benefits.

## Compare the performance of the Fund's assets

### Compare your Fund's performance

The graph on this page shows the Fund return, which is net of investment expenses and investment tax paid by the Fund over the past five years. This is compared with the Fund's investment objective of exceeding the median investment return of funds with similar asset allocation (using the Mercer Employee Super Balanced Growth Survey for this purpose) as well as increases in the cost of living (as measured by the Consumer Price Index, CPI).



**Please note that past performance is not a guide to future performance.**

\* Source: Mercer Pooled Fund Survey of Balanced Funds published by Mercer

† Source: Australian Bureau of Statistics

## Summary of Returns

Annual effective rate of net earnings for 2009/10 (the actual rate of return net of tax and investment expenses)	13.2% p.a.
Compound average effective rate to 30 June 2010	
Net earnings	7.5% p.a.
C.P.I	3.0% p.a.
Median Return (over the most recent five-year period)	3.0% p.a.
Credited interest rate for the year to 30 June 2010	13.2% p.a.
Inflation rate for the year to 30 June 2010 (increase in CPI)	3.1% p.a.

For an explanation of the reasons behind this year's investment returns, please turn to page 4.

## Defined Benefits

The benefit for Defined Benefit members on retirement is based on a calculation that takes account of years of membership and salary close to retirement. The Defined Benefits payable upon retirement are not affected by how investments perform. Defined Benefit members often have additional accounts and this part of the member's benefit is affected by investment returns as are the benefits of accumulation members.

### Benefits of your Fund

- Well above average long term investment returns for members (7.5% return earned over last five years)
- Flexible insurance options
- Goldman Sachs & Partners Australia and JBWere continue to pay most of the Fund administration fees for employees (and their spouses)
- Full range of member services
- Ability to take an account based pension

# Where your super is invested

## Your Fund has guidelines for investing

The Trustee has an investment policy that sets out its investment strategy and objectives covering how and where the Fund's assets will be invested. While having an objective and strategy are required by law, having a strategy also helps ensure that your Fund maximises investment returns while maintaining an acceptable level of risk. Please note that the objectives are not a forecast or guarantee of future performance. The investment policy also covers other related matters, such as appointment of investment managers and guidelines for investments in futures and options.

The Trustee regularly monitors the Fund's performance against its objectives and strategy, and changes are made to guidelines and settings where necessary.

## Investment Objective

The investment objective is to provide a five year rolling return that is equal to or above the median of balanced pooled investment managers as measured in the Mercer Employee Super Balanced Growth Survey over the long term (5 year rolling average).

## Investment Strategy

Factors considered by the Trustee in formulating the investment strategy are to prudently invest the assets of the Fund in pursuit of the maximum rate of return possible, subject to acceptable risk parameters and maintenance for an appropriate diversification of investments. Consideration has also been given to the size and nature of the liabilities of the Fund, particularly in relation to benefit payments.

The Trustee has considered:

- the Fund's benefit design i.e. Defined Benefits and Accumulation Benefits
- Defined Benefit member characteristics i.e. age and gender
- the requirements of the Superannuation Industry (Supervision) Act 1993

## The Fund's asset class position at 30 June 2010 is as follows:

Asset Class	Ranges	Neutral Position
Australian Shares	30–75%	62.5%
Overseas Shares	0–25%	15.0%
Property	0–10%	5.0%
Fixed Interest	0–40%	7.5%
Cash	3–30%	7.5%
Alternative Assets	0–5%	2.5%

## Principles for Responsible Investment (PRI)

*"I applaud the leadership of the institutions that have committed themselves to this undertaking, and urge other investors around the world to join this historic effort"* **Ban Ki-moon, UN Secretary-General**

Financial markets play an important role in sustainable development and the Trustee continues to remain committed to its investment policy in relation to environmental, social and corporate governance (ESG) issues.

The Trustee will continue to progressively incorporate the PRI into its investment management and we will report to you periodically on our progress.

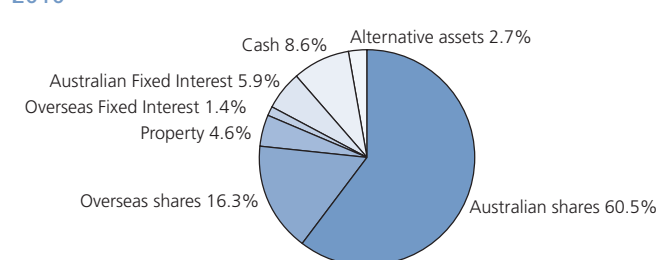
If you would like more information about PRI, you should visit [www.unpri.org](http://www.unpri.org).

## Investments above 5% of assets

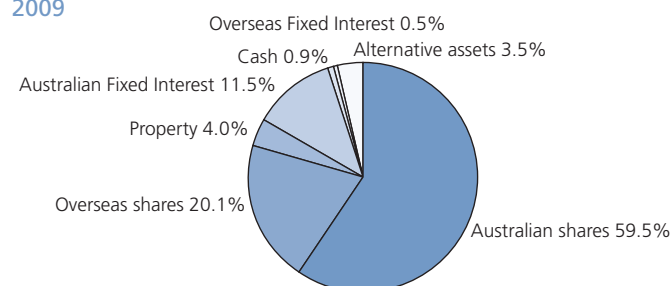
The Trustee is required to notify members of individual investments that exceed 5% of the value of the Fund's assets. The following investment represented more than 5% of the Fund's assets at 30 June 2010.

Investment	\$m value	% of assets
BHP Billiton Ltd	\$17.0	8.2%

## Where your super is invested as at 30 June 2010



## 2009



## Keeping an eye on risk

The Trustee's policy regarding investment in derivatives is that derivatives can be used via:

- Direct investment by the Trustee (in limited circumstances primarily to protect the value of a particular asset class);
- An investment manager appointed by the Trustee to manage part of the Fund's investments in an individually managed portfolio; or
- A collective investment scheme or listed trust in which the Trustee has invested.

## Who manages the investments?

The Fund invests in individual shares, securities and wholesale managed funds. The Fund's investments are determined by the Investment Committee (comprising four Directors; Angela Manning, Mark Levinson, Hamish Tadjell and Frank Macindoe, and Goldman Sachs & Partners Australia and JBWere asset class specialists: Giselle Roux, Andrew Cooke, Gavin Rogers, Chris Pidcock and Sally Campbell). The investments are held in the name of the Fund by the Fund's custodian Invia Custodian Pty Ltd.



# Where your super is invested (continued)

## Who manages the investments as at 30 June 2009? (continued)

The majority of Fund investments are held directly, however part of the portfolio is invested via managed funds as follows;

Aberdeen Asian Opportunities Fund  
D/B THS Global Equity Fund  
IFP Global Franchise Fund  
Walter Scott Global Equity Hedged Fund  
Platinum International Fund  
Platinum International Brands Fund  
GMO Global Equity Fund  
Eley Griffith Small Companies Fund  
EQT PIMCO Wholesale Global Credit Fund  
JBWere Private Equity Fund  
GS Trans-Tasman Private Equity Fund  
GS Australasian Mezzanine Fund 2  
GS Collateral Mezzanine Fund 05  
Becton Development Fund No 1  
GS Global Alpha Class B Fund  
GS Multi-Strategy Fund  
Peet Income Property Fund  
WRR Endeavour Fund

## Momentum of global economic recovery stalled by fourth-quarter upset\*

**The first three quarters of the 2009-10 financial year saw the global economy continue to recover from the Global Financial Crisis (GFC) but an "upset" in the final quarter has taken back some of the gains made, leaving a weak outlook for global growth for the rest of 2010 and into early next year.**

The worst of the GFC (i.e. as we knew it through the second half of 2008 and early 2009) was over by July 2009. At that time, we had already seen share markets rebound for one quarter and considered that strong growth would continue for the rest of 2009 and into the first few months of 2010. However, while we were well through the worst of the GFC, we were not out of the woods. As an article from Mercer's investment management business warned in September 2009, "we now need to be mindful of the inherent volatility of investment markets and remain vigilant."

That inherent volatility would again erupt in May 2010, causing a financial year fourth quarter upset primarily driven by the escalation of European sovereign debt risks, originating in Greece but spreading to other areas of the "eurozone." This so-called Sovereign Debt Crisis, along with an apparent sharp slowdown in Chinese economic growth, had a negative impact on share markets and other listed securities (e.g. listed property, listed infrastructure) over the closing months of the year to 30 June 2010.

However, it was not all bad news. Whilst share markets were very weak in May, local investors holding *unhedged* overseas shares benefitted from a sharp fall in the Australian dollar that month. For these investors, the global share market fall was more than offset by the fall in the Australian currency.

Meanwhile, bond markets continued to recover, with sovereign bonds in particular providing a safe haven. Ironically, in a period dominated by concerns over sovereign debt risk, sovereign bonds (which are effectively investments in sovereign debt) outperformed all other asset classes. For example over the final three months of the 2009-10 financial year, the sovereign bonds asset class (in Australia and overseas) was up over 4.0% whilst Australian and overseas (hedged) share market investments declined

more than 10.0%.

During the GFC, sovereign bonds proved to be "true to label", meaning they performed in line with expectations for a so-called "defensive" asset class, delivering positive absolute returns. Other defensive asset classes (e.g. global credit) did not.

According to Mercer, investors need not be alarmed by events such as those that unfolded in the eurozone in the final quarter. Mercer remains confident that the defensive qualities of sovereign bonds can be expected to come to the fore again in times of crisis.

\* Source: Mercer Investment Consulting

### Some investment terms explained

#### Consumer Price Index (CPI)

is used to measure the rate of increase in inflation. In Australia, it is based on the change in prices of a selection of household goods and services.

#### Average Weekly Earnings (AWOTE)

is used to measure the rate of increase in average wages in Australia.

#### Asset class

type of investment such as Australian shares, property securities or Australian fixed interest.

#### Growth assets

assets expected to grow in value over time (although their value may rise and fall in the short term), such as shares and property.

#### Asset allocation

the range of assets held in the various asset classes such as Australian shares, overseas shares and property.

# How your Fund works

Your Fund is run by a Trustee company BEST Superannuation Pty Ltd ABN 57 070 732 008 according to its governing legal document, the Trust Deed, and superannuation laws.

The Trustee Board comprises an equal number of member representative directors (appointed by members of the Fund in accordance with the rules for the appointment of member representative directors) and directors appointed by Goldman Sachs & Partners Australia and JBWere.

## Directors

The Directors of the Trustee during 2009/2010 were as follows:

## Member representatives

Mark Levinson (appointed November 2009)

Frank Macindoe

Craig Murray

Andrew Gray (resigned September 2009)

Alternate Director: Sally Campbell

## Employer appointed representatives

Angela Manning (Chairman)

Paul Sundberg

Justin Arter (resigned November 2009)

Hamish Tadjell (appointed November 2009)

Alternate Director: Graham Goldsmith

## Your Fund has these advisers

These people provide assistance to the Trustee:

## Auditor and Tax Agent

PricewaterhouseCoopers

## Administrator/Fund Secretary

Mercer

## Legal

Freehills

## Actuary

Russell Employee Benefits

## Insurer

AIA

## Custodian

Invia Custodian Pty Ltd

## Insurance protection

The Fund pays for indemnity insurance to protect the Trustee, its directors and your Fund against the financial effects of any 'honest mistake' that might occur in running the Fund.

## Special tax treatment

Superannuation is one of the most effective ways to save because it is taxed at a lower rate than many other forms of income. To get this tax advantage, your Fund must operate according to a strict set of laws. To show that your Fund has followed these laws, the Trustee lodges a return each year with APRA.

The Fund is a regulated complying superannuation fund for the purposes of government legislation. No penalties were imposed on the Trustee under the Superannuation Industry (Supervision) or Corporations legislation during the year.

## Costs are carefully managed

The costs of running the Fund are managed carefully. For employees of Goldman Sachs & Partners Australia and JBWere, the cost of administering the Fund continues to be subsidised by your employer.

The section on the next page shows fees and other costs you may be charged. These fees and costs may be deducted from your account balance, from the returns on your investment or from the Fund assets as a whole.

You need to take into account the impact of tax and insurance costs as well. Accumulation and Pension members should refer to the relevant Fund Product Disclosure Statement for more information (available on the website).

You do not pay GST on any of the fees and charges set out on the next page.

# How your Fund works (continued)

## Significant fees

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
<i>Establishment fee:</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee:</i> The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable
<i>Withdrawal fee:</i> The fee on each amount you take out of your investment	Nil for a final benefit payment (e.g. on resignation or retirement)  \$180 for a benefit payment because of a portability request or for a contribution splitting fee which is transferred from the Fund	Not applicable  Deducted from your Member Account when you elect to take out an amount under the portability regulations or when a contributions split amount is transferred from your account to another fund.
<i>Termination fee:</i> The fee to close your investment	Nil	Not applicable

<b>Management costs</b>		
<i>The fees and costs for managing your investment</i>	Operating Costs <sup>1</sup> 0.26% of Fund assets  Investing Costs <sup>2</sup> 0.25% of Fund assets  plus a potential performance based fee <sup>3</sup> of 0.01% of relevant Fund assets charged within certain managed funds  plus an Administration fee of \$400 per year if you are a Retained Benefits member <sup>4</sup>	Deducted from the Fund's assets before the Fund's Crediting Rate is determined       Deducted from your Retained Benefit Member account annually in arrears at the end of the year, or pro-rated upon your exit from the Fund during a year
<b>Service fees</b>		
In some cases, user pays family law fees and contribution splitting fees may also apply. See the section 'Additional explanation of fees and costs' below.		

<sup>1</sup> This is an estimate of what the annual Operating costs will be from 1 July 2010. Operating costs are fees and costs for operating the Fund. They include administration and other expenses incurred in operating the Fund, specifically including Trustee expenses and professional services expenses. The costs in relation to outsourcing the Fund secretarial and administration function to Mercer are currently partially paid by the Employer. The Fund's Crediting Rate is net of Operating costs. Operating costs have been determined based on the actual Operating costs for the period from 1 July 2009 to 30 June 2010.

<sup>2</sup> This is an estimate of what the annual Investment costs will be from 1 July 2010. Investment costs are fees and costs for investing the Fund's assets. They include fees paid to external investment managers and other expenses incurred in investing the assets (excluding additional transaction costs – please see the PDS for details of transaction costs). The Investment costs may change due to several factors including: timing, cash flow, changes in the investment manager line up and changes in asset allocation. Investment costs were determined based on indicative annualised calculations using fee information for periods up to approximately 30 June 2010.

<sup>3</sup> Refer to the next page for further details about performance based fees.

<sup>4</sup> Former employees who elect to remain within the Fund are transferred into the Retained Benefits Section of the Fund.

# How your Fund works (continued)

## Additional explanation of fees and costs

### Family law fees

Type of fee or cost	Amount	How and when paid
Application for information (i.e. benefit valuation) in the format specified under the Family Law Act	\$250 (\$150 for additional requests)	Not paid out of the Fund. Charged by the Fund's administrator and payable by person making request at time request is made.
Splitting a benefit	\$250	Shared equally by both parties and will be deducted from each party's benefit at the time the benefit is split unless all of the benefit is going to the non member spouse (in which case the non member spouse pays all of the fee).
Flagging a benefit (or lifting a payment flag)	\$100	As for splitting a benefit.

For more information about family law and how it may affect your super benefit, contact the Fund Secretary.

### Contribution splitting fees

\$180 if the split amount is transferred out of the Fund. There is no fee charged to the member if the split amount is transferred to an account for your spouse in the Fund.

### Performance fees

The figure of 0.01% given in the table on page 6 is an estimated performance based fee ('PBF'), assuming a 1% out-performance by the investment manager. There is the potential for PBFs to be charged, within the 'Alternative' asset class allocation, in addition to the other Management costs. Investment managers that charge a PBF only apply those fees when performance is greater than an agreed target. Accordingly, PBFs only arise when higher returns, relative to a specified target for a particular manager, are achieved. The extent of any PBF cannot be determined in advance. This will change according to the amount of out-performance achieved by the investment manager and the weighting of that investment manager. There is generally a high watermark associated with each PBF. A high watermark means that if the manager loses money over one time period they have to get back to the previous level before getting a PBF on new gains.

### Transactional and operational costs

Members incur no direct cost when making contributions or withdrawals (except for the \$180 fee which applies in some circumstances). However, when the Trustee purchases or sells Fund assets, there may be investment related expenses incurred on the purchase or sale of the underlying assets e.g. buy/sell spreads as applicable. These additional transaction costs are deducted before the Fund's Crediting Rate is determined. The additional transaction costs from the purchase of underlying assets have been estimated to be up to 0.06% and from the sale of underlying assets up to 0.06%. Because these costs are taken into account before determining the Fund's Crediting Rate, Member Account balances are net of transaction costs.

Note that no brokerage, management or custodial fees are charged by Goldman Sachs & Partners Australia and JBWere to the Fund on market transactions and any commissions are rebated back to the Fund.

### GST

All fee calculations are inclusive of GST. Reduced input tax credits have been incorporated into the Operating costs.

# How your Fund works (continued)

## Fee changes

All fees are current and may be revised or adjusted by the Trustee from time to time without member consent. The Trustee may also introduce new fees. If there is a significant increase in fees, the Trustee must notify members 30 days in advance of the change.

The withdrawal fee and the family law fees set out above can be indexed annually each 1 January to AWOTE.

An administration fee applies for Retained Benefits members (i.e. those members who are no longer employees of Goldman Sachs & Partners Australia or JBWere) of \$400 p.a. This fee will be reviewed annually.

## Example of annual fees and costs

This table gives an example of how the fees and costs in the Fund for this product can affect your superannuation investment over a 1 year period if you are not a Retained Benefit Member. You should use this table to compare this product with other superannuation products.

Example		Balance of \$50,000 with total contributions of \$5,000 during year
Contribution fees	Nil	You will not be charged contribution fees.
Plus Management Costs	0.51% <sup>1</sup>	For every \$50,000 you have in the Fund, management costs of \$255 each year will apply. <sup>2</sup>
Equals Cost of fund		If you put in \$5,000 during a year <sup>3</sup> and your balance was \$50,000, then for that year management costs will be: \$255 <sup>4</sup>

<sup>1</sup> This is the sum of the estimated Operating costs and Investment costs — refer to the table on page 6. It does not incorporate any additional transaction costs. Investment managers may also charge Performance Based Fees ('PBF') and these fees have not been incorporated into the example above. Based on an assumption of 1% out-performance by the investment manager, the performance based fee charge is estimated to be \$5 in addition to the above fees.

<sup>2</sup> Note that this amount will not be deducted from your member account. Instead, the \$255 Management cost in this example that is attributable to you is deducted from the Fund's assets and taken into account in determining the Fund's Crediting Rate.

<sup>3</sup> Assuming that the \$5,000 is contributed at the end of the year.

<sup>4</sup> Additional fees may apply (being, if applicable, a withdrawal fee of \$180 for each withdrawal under the portability regulations, family law fees and Retained Benefits members fees) — refer to previous information.

## Tax and insurance costs

Tax and insurance costs are set out in the Product Disclosure Statement (PDS).

The cost of insurance premiums is also passed on to members by deduction from their accounts. Accumulation members should refer, if applicable, to the Fund's PDS for more details, noting that the Trustee has recently negotiated further cost savings for you on insurance premiums.

## Tax deductions

The deductability effect of the payment of expenses from the Fund is passed on to members through adjustments to the Fund's crediting rate.

## Surcharge Tax

If the Fund is required to pay surcharge tax in respect of you, the tax payable is deducted from your benefits in the Fund. If you roll over benefits into the Fund from another super fund or from your employer, any liability to pay the surcharge tax for contributions to that fund that has not been paid or in respect of the employer payment may be transferred to the Fund. If we receive a surcharge assessment after you have left the Fund, we will return it for payment to the ATO. The ATO will either forward it to the fund to which your benefit was paid or to you if your benefit was paid directly to you.

# Are you getting the most out of your super?

The Trustee of the Fund wants to ensure that you maximise the advantages that superannuation and the Fund can offer you.

## Voluntary Contributions

Making pre-tax contributions (concessional contributions) can be a tax effective method of increasing your retirement savings. To maximise the benefits of superannuation you now need to consider whether you should be making voluntary contributions from an earlier age. The concessional contribution caps may affect members looking to make large amounts of contributions in the lead up to their retirement.



# How your Fund works (continued)

## Insurance

Research has shown that Australians on average have less insurance than they require. The Fund provides members with a default level of insurance based on which particular division of the Fund you are in. This level of insurance does not take into account your personal requirements and every member should review their own situation to see if they are adequately covered.

Remember that there are different types of insurance for different life altering events and you should consider how you can ensure you have an adequate level of cover in case of Death, TPD or Temporary Disablement.

You may be eligible to obtain additional Death/Total and Permanent Disablement or Salary Continuance through the Fund.

## Binding Death Benefit Nominations

Under the current Fund arrangements members can nominate to whom they would like their benefit paid in the event of their death by either making a binding or non-binding death benefit nomination. Unfortunately approximately 30% of members have not made a binding nomination or non binding nomination.

## What's the difference between Binding and Non-Binding nominations?

### Binding Nomination

If you make a valid binding death benefit nomination the Trustee will pay your benefit as nominated. This allows members to plan with certainty, knowing how their superannuation benefit will be paid in the event of their death (provided all requirements are complied with).

Binding nominations are valid for 3 years. However, a binding nomination should be reviewed if your circumstances change (e.g. birth of children, marriage, separation or divorce), as the Trustee has no discretion when paying a death benefit that is subject to a valid binding nomination.

### Non-binding Nomination

This type of nomination is not binding on the Trustee. That is, the Trustee will take your nomination into account but is not bound to follow it. As with a binding nomination, if you have made a non-binding nomination it should be reviewed if your circumstances have changed.

### How to make or update a nomination

You can make death benefit nominations (binding or non-binding) and update your beneficiaries at any time. Forms are available on the website [www.gsjbw.superfacts.com](http://www.gsjbw.superfacts.com) or you can call the Helpline on 1800 025 026 for assistance with making a death benefit nomination.

Your annual Member Statement shows your nominated dependants and the proportion of your death benefit that you want them to receive in the event of your death. It also shows if your nomination is binding or non-binding.

Please note you should seek financial advice before making any decisions in regard to your superannuation.

## Financial Advice Helpline

As members of the Fund you have access to limited personal financial advice. This service offers you limited personal financial advice in relation to contribution strategies and insurance and is available through the Fund Helpline. The Financial Advice Helpline consultant will have an understanding of the Fund and the various benefits associated with the Fund.

For further information on making voluntary contributions, applying for additional insurance, nominating a beneficiary or if you would like to speak to a Financial Advice Helpline consultant please call the Helpline on 1800 025 026.

Any limited personal advice is provided by the Fund Administrator, Mercer, as a corporate authorised representative of Mercer Investment Nominees Limited ABN 79 004 717 533, AFSL No. 235906.

## Pre-tax personal contributions - Retained and Spouse members

All Retained and Spouse members are able to make pre-tax personal contributions. You may be eligible to claim a deduction if the amount you earn as an employee is less than 10% of your combined assessable income, reportable fringe benefits and reportable superannuation contributions for the year and you meet age related conditions.

Personal super contributions you claim as a tax deduction are taxed at 15%. However, there are caps on the amount of contributions you can make at this concessional rate of 15%. There are also caps on non-concessional contributions.

Personal contributions for which you:

- Claim a deduction are concessional contributions.
- Don't claim a deduction are non-concessional contributions.

**Note: If you claim a deduction for a personal contribution, you will not be eligible for a super co-contribution on the amount you claim.**

For further information on how to make personal concessional contributions please contact the Fund Helpline.

## Member protection

Federal Government legislation limits the amount of fees and charges that can be applied to certain small superannuation account balances. If your account balance is less than \$1,000 at the end of a member reporting period (generally 30 June each year) or at your date of exit from the Fund, and your account includes any employer superannuation guarantee contributions, the Trustee currently applies this requirement to limit the total fees (excluding insurance premiums and taxes) charged to your account in a member reporting period to the investment earnings credited to your account in that period.

Please note in times of negative earnings no fees are levied upon an account balance less than \$1,000.

### Rolling super between funds

If you are rolling your super money between super funds, you need to supply the Fund's SPIN number, or your member number, before the rollover can be completed. Your Fund's SPIN number is BES 0001 AU.

# How your Fund works (continued)

## Employer contributions

Defined Benefit members pay a fixed member contribution (as a percentage of salary). The remaining money required to provide the benefits comes from the employer's contributions and investment earnings. The amount the employer provides depends on the Fund's investment performance and financial position.

An actuary advises on the level of employer contributions required to ensure there is enough money to pay members' benefits. The actuary projects likely benefit payouts, salary growth and investment returns to calculate the employer's contribution level.

At the last valuation as at 30 June 2007 the actuary advised that the Fund was in a satisfactory financial position. The employer contributed in line with the actuary's recommendations for the year to 30 June 2010 so that contributions payable for the year by your employer have been paid to the Fund.

The next actuarial valuation of Fund will be completed as at 30 June 2010.

## Insurance Improvements

The Fund will be improving their insurance offering to members as at 1 January 2011. The Fund currently has 2 year Salary Continuance cover, all members employed by Goldman Sachs & Partners Australia and JBWere will be automatically provided\* with long term Salary Continuance Cover through to age 65. Members who are not employed by Goldman Sachs & Partners Australia and JBWere will be able to apply for this new Salary Continuance cover.

Further details will be provided in writing in November 2010 and members will also have the opportunity to attend a member education session to find out further information.

\*Subject to current underwriting restrictions

## Amendments to the Trust Deed

The following amendments were made during the past review period:

- The definition of 'Additional Voluntary Insurance' was amended to allow death and total and permanent disablement insurance coverage for casual employees
- The definition of 'Special Contributions' was amended to allow an employer to make additional contributions in respect of a member who receives bonus remuneration which forms part of ordinary time earnings for purposes of the SG Act
- The definition of 'Spouse' was amended to reflect legislative changes brought about by the Same-Sex Relationships (Equal Treatment in Commonwealth Laws – Superannuation) Act 2008
- The wording of clause 1.21(a)(3) was clarified having regard to other clauses of the Trust Deed regarding a Member's ability to request an Account Based Pension
- The definition of 'Eligible Spouse Contributions' was amended because the location of the legislative definition has changed from the Tax Act to the SIS Act

## Statement of Net Assets as at 30 June

	2010 (\$)	2009 (\$)
<b>Investments</b>		
Cash deposits	1,635,818	1,245,090
Australian Equities & Convertible Notes	152,741,670	125,018,658
Property Trusts	0	7,994,188
Overseas Investments	38,753,004	38,986,762
Alternative Investments	9,180,851	7,270,646
Fixed Interest	36,177,575	26,371,519
<b>Other Assets</b>		
Interest receivable	152,392	37,768
Distributions receivable	499,624	233,815
Insurance proceeds receivable	63,714	1,219,371
Contributions receivable	187,726	-
Pre payments	590,000	-
Current tax asset	-	33,127
Future Income Tax Benefit	41,452	98,307
Other debtors	19,045	3,185
<b>Total Assets</b>	<b>240,042,871</b>	<b>208,512,436</b>
<b>Liabilities</b>		
Other creditors	347,678	287,856
Current tax liabilities	323,473	-
Deferred tax liabilities	5,172,792	3,763,310
Benefits payable	277,701	1,425,650
<b>Total Liabilities</b>	<b>6,121,644</b>	<b>5,476,816</b>
<b>Net Assets available to pay Benefits at end of year</b>	<b>233,921,227</b>	<b>203,035,620</b>

## Financial summary

This is a summary of the Fund's unaudited accounts for the year ended 30 June 2010. The audit is due to be completed in October 2010. You can then request a copy of the audited accounts and auditor's report from the Fund Secretary.

### Statement of Changes in Net Assets for year ended 30 June

	2010 (\$)	2009 (\$)
<b>Net assets available to pay benefits at the start of the year</b>	<b>203,035,620</b>	<b>227,858,461</b>
<b>Net Investment revenue</b>		
Interest	1,863,209	1,909,789
Dividends	5,600,737	6,321,984
Distributions	4,537,817	1,524,603
Changes in net market value of investments	(18,838,973)	(26,781,142)
<b>Contribution Revenue</b>		
Employer Contributions	13,634,947	9,620,712
Member Contributions	871,130	338,733
Transfers from other funds	3,630,125	1,781,743
<b>Other revenue</b>		
Profits share — GL insurance policy	137,872	-
Proceeds from term insurance policies	(648,906)	1,868,887
Sundry revenue	26,138	30,431
<b>TOTAL REVENUE</b>	<b>(48,492,042)</b>	<b>(3,384,260)</b>
<b>Expenses</b>		
Premiums on term insurance policies	715,510	530,058
Superannuation contributions surcharge	22,424	18,484
Other general expenses	1,023,029	481,461
Benefits paid	12,126,951	22,573,200
<b>TOTAL EXPENSES</b>	<b>13,887,914</b>	<b>23,603,203</b>
Changes in net assets before income tax	34,604,128	26,987,463
Income Tax expense	3,718,521	(2,164,622)
<b>Total Revenue Less Expenses After Income Tax</b>	<b>(30,885,607)</b>	<b>(24,822,841)</b>
<b>Net assets available to pay benefits at end of year</b>	<b>233,921,227</b>	<b>203,055,620</b>

## Super News

### Proposed improvements to super following Henry Taxation Review

Despite speculation about adverse changes arising from the Henry Review of Australia's tax system, the superannuation changes announced by the Government on 2 May 2010 were all positive:

- A gradual increase in the Superannuation Guarantee from 9% to 12%
- Superannuation Guarantee contributions to be required up to age 75
- A new Government superannuation contribution for low income earners
- A permanent higher concessional contribution limit for those aged 50 or more

#### Changes to the Superannuation Guarantee

The Government has announced that it will gradually increase the Superannuation Guarantee from 9% to 12% in small increments from 1 July 2013 to 1 July 2019.

The Government will also raise the Superannuation Guarantee age limit from 70 to 75 with effect from 1 July 2013. This is also a positive change which broadens the range of employees covered by the Superannuation Guarantee.

#### Superannuation contribution for low income employees

A new contribution of up to \$500 (not indexed) will be provided by the Government for individuals with an adjusted taxable income\* of up to \$37,000. This is designed to effectively return the 15% contribution tax on Superannuation Guarantee contributions and will commence in 2012-13.

This change will improve the tax effectiveness of superannuation for eligible low income earners, as well as provide a boost to their superannuation savings.

\* Your adjusted taxable income includes your assessable income, reportable fringe benefits and, from 1 July 2009, your reportable employer superannuation contributions (see below).

#### Higher concessional contribution limit for those aged 50 or more to continue

The current transitional limit of \$50,000 applicable to those aged 50 or more only applies until 30 June 2012. The Government has announced it will continue to provide the higher limit for those aged 50 or more, but only for those with total super balances below \$500,000.

Again, this is a welcome change which will provide greater scope for eligible members to use concessional contributions to top-up their superannuation.

Please note that the above proposed changes were also mentioned in the recent 2010 Federal Budget but have not yet been legislated.

#### Co-contributions reduced but still valuable

The Government has decided to make permanent the previously temporary reduction in the rate of its popular **superannuation co-contribution**. Even though the amount of the co-contribution has now been permanently reduced, it is still a valuable benefit, which may increase your super savings.

The Government will continue to contribute up to \$1 for each \$1 contribution you make from your after-tax income. The maximum co-contribution is \$1,000 a year if your total (as per relevant legislation) income is less than \$31,920 a year. The co-contribution reduces gradually for those earning up to a maximum of \$61,920. These thresholds will remain frozen at these levels for the next two years, after which indexation will recommence.

### Reportable employer superannuation contributions

From 1 July 2009, employers are 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 salary sacrifice contributions you make and any voluntary employer contributions over which you have some control.

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 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.

### Family Law changes

Legislation commenced from 1 March 2009 enabled eligible de-facto couples (including same-sex de facto couples in most States and all territories) to split their superannuation on relationship breakdown. However the provisions only applied to de facto relationships in those states which have transferred their powers in relation to de facto relationships to the Commonwealth. At the time, the new provisions did not apply in South Australia and Western Australia. On 1 March 2009, the laws will apply to eligible South Australian de facto couples, but will still not apply in Western Australia.

### 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 immediately.

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 latest 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 eligible to participate in the scheme on 20 September 2009). A new work bonus 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.



## Pension tax agreement between Australia and New Zealand

A new Double Tax Agreement between the Australian and New Zealand Governments is now in force. The agreement contains a section on pensions that will assist the movement of retirees between Australia and New Zealand.

Under the new treaty, pensions arising in the other country will not be taxed in the country of residence to the extent that they are not taxed in the source country. For example:

1. For a New Zealand resident receiving a pension from an Australian superannuation fund (other than an untaxed element of a pension paid from a Government sector fund):
  - If the person is over age 60: The pension would not be taxed if the pensioner was in Australia so it will no longer be taxed in New Zealand;
  - If the person is under age 60: The pension would generally be taxed if the pensioner was in Australia so it will be subject to New Zealand tax.
2. An Australian resident receiving a pension from a New Zealand pension fund will no longer be subject to Australian tax, as pensions from New Zealand funds are not taxed if paid to a person in New Zealand.

Note that the above changes only relate to pensions. Lump sums will continue to be taxed solely in the country where the benefit originates. However, lump sums paid from an Australian scheme are generally not subject to tax (from age 60) and there is generally no tax on lump sums paid from New Zealand schemes on cessation of employment.

The new treaty does not affect the taxation of Australian Centrelink pensions or New Zealand age pensions (paid by NZ Superannuation).

# What to do if you leave

If you are about to leave work and take your super, make sure you respond promptly to letters from the Trustee about your benefit payment.

If you have reached age 65 and have not told your Fund how and where to pay your benefit, your benefit may be considered to be unclaimed money. It will then be placed with the ATO. You will then need to contact the ATO to find out how to claim your benefit.

For members leaving aged 64 or younger, the Trustee has a broad power to transfer a member's benefit to another fund called an Eligible Rollover Fund (ERF). Upon transfer to the ERF, the member or their dependants will no longer have any entitlements under the Fund.

The Trustee will transfer a member's benefit to the ERF after ceasing employment if either of the following two conditions occur:

- An existing member has less than \$10,000 in their account, and they fail to advise a complying fund they wish to transfer their benefit to.
- If we have written to you twice and both times mail has been returned unclaimed.

ERFs are designed as holding funds and are required to provide member protection. As a result, the rate of return in the ERF may be lower than in another superannuation fund. You should seek professional financial advice about the best place to roll over your benefit when you leave service.

The Fund uses the following ERF:

## AUSfund

In accordance with superannuation legislation, a member's benefit may be transferred to another fund, called an Eligible Rollover Fund (ERF). Our nominated ERF is AUSfund, Australia's Unclaimed Super Fund.

Set out below is a summary of the more significant features of AUSfund, current as at July 2010:

- AUSfund does not offer insurance benefits in the event of death or disability.
- AUSfund accounts of \$50 or more attract an administration levy of \$10 per year or part-year, while lower balances, or limited information members (members whose identity cannot be verified on the basis of the information currently held by AUSfund), are not subject to the levy and do not earn interest. Indirect investment costs are deducted from the gross investment returns before interest rates are declared.
- AUSfund does not charge entry or exit fees.
  - AUSfund is required to 'member protect' benefits. Generally, this means members will not be charged administration fees if investment returns are insufficient to cover the cost. Government taxes are deducted. There is one exception to member protection rules; AUSfund may declare a bad investment period in a financial year where the total earnings on investments are less than the total administration costs. In this circumstance, AUSfund is permitted to deduct a proportionate amount from members' accounts to cover the administration costs.
- AUSfund does not accept contributions from employers.
- AUSfund is able to accept personal contributions from members up to the age of 64. For members between the ages of 65 and 74, personal contributions can be accepted if the member has been gainfully employed for a minimum of 40 hours in 30 consecutive days during the financial year that the contributions are made.
- AUSfund has one diversified investment strategy and therefore does not provide investment choice. Rates of return are not guaranteed and investment returns provided to AUSfund members will be dependent on the performance of the underlying investment managers.

Should you wish to know more about AUSfund, please call the Administration Manager on **1300 361 798**, by writing to PO Box 2468, Kent Town SA 5071, by sending an email to [admin@ausfund.net.au](mailto:admin@ausfund.net.au) or visiting their website at [unclaimedsuper.com.au](http://unclaimedsuper.com.au)

## Continuing your insurance

When you take your benefit from the Fund if you are aged under 60 and your insurance cover has terminated other than as a result of Injury, Sickness or Disease, you can apply directly to the Insurer for a continuation of your existing death and TPD cover under a personal insurance policy.

Any personal insurance policy will be subject to the terms, conditions and premiums as determined by the Insurer.

Cover will be provided, without the need to provide health evidence, subject to the following restrictions and conditions:

- Where the premium of the policy selected is subject to variation based on your smoking habits, you must complete such declaration as the Insurer may determine.
- You must apply for a personal insurance policy within 60 days of ceasing to be a member.

The amount of cover under the personal policy will be for an amount not exceeding the amount covered immediately before your cover under the Fund's Insurance Policy ceased and will be on the terms and at the premium advised by the Insurer.

Spouse members who have insurance cover also have a continuation option subject to policy conditions.

If you have salary continuance cover through the Fund a continuation option is also available in respect of this cover if you cease employment with the Goldman Sachs & Partners Australia or JBWere under similar conditions provided you are working at least 15 hours per week in permanent employment acceptable to the insurer.

Please contact the Helpline if you need more information about these continuation options.

## Like to know more?

Accumulation and Pension members should already have a Product Disclosure Statement containing information about your benefits and rules governing the Fund. You also receive an annual Member Statement containing important personal information about your benefits in the Fund. Other documents relating to the Fund that are available for you to look at are:

- the Trust Deed
- the investment policy statement
- the latest audited accounts and auditor's report
- an extract from the latest actuary's report
- details of how the member-representative directors of the Trustee are elected and how they can be removed
- the enquiries and complaints procedure
- the privacy policy.

If you have a question about your benefits in the Fund, please contact the Fund Secretary. Please note that none of the Trustee, its directors, the Fund Secretary and the Fund Helpline are able to give any personal advice relating to your own circumstances. Please see page 9 for details of the Fund's Financial Advice Helpline which can provide limited personal advice.

### Your Fund Secretary is:

Brent Tulk  
Fund Secretary  
Goldman Sachs & Partners Australia Superannuation Fund  
c/o Mercer  
GPO Box 9946  
Melbourne VIC 3001  
Phone: **1800 025 026**  
Fax: (03) 8640 0800

### If you have a problem...

Most queries can be sorted out over the phone, but if we are unable to help you immediately, you may be asked to put your question in writing and we will reply within 28 days.

If you are not satisfied with the response, you should write to your Complaints Officer, who will pass your complaint to the Trustee. You can expect a decision within 90 days.

### The contact details for the Fund's Complaints Officer are:

Complaints Officer  
Goldman Sachs & Partners Australia Superannuation Fund  
c/o Mercer  
GPO Box 9946  
Melbourne VIC 3001  
Phone: **1800 025 026**  
Fax: (03) 8640 0800

The Trustee always seeks to resolve complaints to the satisfaction of all concerned and in the best interests of all members of the Fund. However, if you have followed the steps outlined above and are not satisfied with the outcome within 90 days, you may be able to take the matter to the Superannuation Complaints Tribunal (SCT). The SCT is an independent body that aims to resolve certain types of superannuation disputes.

Some complaints must be lodged with the SCT within certain time limits. For more information about requirements and time limits, you can call the SCT on **1300 884 114**.

If the SCT accepts your complaint, it will try and help you and the Trustee reach a mutual agreement through conciliation. If conciliation is unsuccessful, the complaint is referred to the SCT for a determination that is binding.

### Protecting your privacy

The Trustee holds personal information about you, such as your name, address, date of birth, salary and tax file number, in order to provide your super benefits and to comply with regulatory requirements. This personal information may be disclosed as necessary to the Fund's administrator and professional advisers, insurers, Government bodies, employers, and other parties.

The Fund has a privacy policy that sets out in more detail the way your personal information is handled. If you would like a copy of the Fund's privacy policy, please contact the Fund Secretary (see contact details above).

### Disclaimer

This annual report has been prepared by the Trustee to meet its legislative obligations under the Corporations Act 2001. The information contained in this annual report does not take account of the specific needs, or personal or financial circumstances of any persons. Readers should obtain specialist advice from a licensed financial adviser before making any changes to their own superannuation arrangements or investments. Accumulation and Pension members should also read carefully the relevant Fund Product Disclosure Statement.

The terms of your membership in the Fund are set out in the Fund's Trust Deed and, should there be any inconsistency between this annual report and the Fund's Trust Deed, the terms of the Fund's Trust Deed prevail. While all due care has been taken in the preparation of this report, the Trustee reserves its right to correct any errors and omissions.

All statements of law or matters affecting superannuation policy are up-to-date as at 30 June 2010, unless otherwise stated.

This document contains general information about investments and investment performance. Please remember that past performance is not necessarily a guide to future performance.

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