



# Quadrant Superannuation Annual Report

2007/2008

# Contents

<b>Section 1</b>	Super updates	3
<b>Section 2</b>	Who looks after Quadrant?	7
<b>Section 3</b>	Your fund and its performance	9
	1. Quadrant Investment Choice	9
	2. Quadrant Personal Super	9
	3. Quadrant Super Pension	11
	4. Quadrant Defined Benefits	14
	5. Quadrant Accelerated Benefits (including Retained Benefits)	14
	6. HCC Defined Benefits	15
	7. RACT Defined Benefits	15
	8. LCC Defined Benefits	16
<b>Section 4</b>	Fund investments	18
<b>Section 5</b>	Other things you need to know	23
<b>Section 6</b>	Summary of Financial Statements	27

Quadrant Superannuation Pty Ltd  
Australian Business Number 82 067 516 938  
Australian Financial Services Licence Number 290812  
Registrable Superannuation Entity Licence Number L0000215

Quadrant Superannuation Scheme  
Australian Business Number 12 727 521 796  
Scheme Registration Number R1000269

Level 5, 85 Macquarie Street, Hobart TAS 7000  
GPO Box 863, Hobart TAS 7001  
Freecall 1800 222 209  
Fax (03) 6231 4317  
Website [www.quadrantsuper.com.au](http://www.quadrantsuper.com.au)  
Email [info@quadrantsuper.com.au](mailto:info@quadrantsuper.com.au)

# Super updates

## The last 12 months at a glance



Like most of us, you're probably still reeling from the shockwaves which repeatedly pounded the markets over the last 12 months as a result of the US economic meltdown but, as a Quadrant member, you can take heart – over the longer term our investment options are still performing above target.

We don't like negative returns any more than you do, but unfortunately they can be expected every few years, depending on the investment option. Over a five year period, the two most volatile investment options, High Growth and Growth, have returned an average 10.8% and 9.3% respectively.

That result is net of all fees and charges, so what you see is what you get.

With the headlines screaming "billions lost in super" it's important to keep things in perspective, take a deep breath, don't panic and remember, super is a long term investment.

Through e-news, newsletters and regular updates, we've worked hard over the past year to keep members informed of what's happening in the

market and, as a result, members have stayed focussed on their financial goals and not panicked.

Just as importantly, members close to retirement have been taking advantage of the Quadrant First financial advisors to sit down with them and work through some "what if" scenarios before making any decisions.

In some cases, 'transition to retirement' has proven a better option, with some members even preferring to reduce their hours and top up their salary from super, rather than retire outright.

While the clean-up from the financial storm may continue for some time, the Australian economy is in a better position than many others to weather the aftermath.

Now is not the time to be switching options without good financial advice as you could be selling out at the bottom of the cycle and locking in losses.

Don't panic, accept that super is a long term investment, and consider whether now would be a good time to boost your super contributions, or salary sacrifice and "buy into" the investment pool while the markets are down.

What we have seen over recent months is unprecedented, but our economy is generally strong and history tells us the markets will bounce back.

Wayne Davy  
**CHIEF EXECUTIVE OFFICER**

## Quadrant Investment Choice fund performance to 30 June 2008

	Past performance % pa			Results against objectives			Expected
	1 year	3 years	5 years	CPI + Target	Excess return	Neg return years / 10 years	Neg return years / 10 years
High Growth	-13.1%	7.6%	10.8%	8.1%	2.7%	3	3-4
Growth	-9.5%	6.8%	9.3%	7.1%	2.2%	3	3
Balanced	-7.6%	Details not available as investment option commenced on 1 December 2005					2-3
Sustainable Future	-4.0%	6.0%	7.4%	6.1%	1.3%	1	2
Moderate*	-3.9%	6.0%	7.7%	6.1%	1.6%	1	2
Stable	1.7%	4.9%	5.6%	5.1%	0.5%	0	1
Conservative	3.2%	4.1%	4.1%	4.1%	0.0%	0	0

\* The Moderate investment option was called Balanced prior to December 2005.  
Past performance does not guarantee that future performance will be the same or similar.

### We have done it again – struck gold!

Quadrant has been awarded a Gold Rating from SuperRatings™ for the third year in a row. This means that yet again, Quadrant has been rated among the best value for money superannuation funds in Australia and we are the only Tasmanian owned fund to receive this prestigious award for three years running.



SuperRatings™ is the specialist in research of Australian superannuation funds evaluating overall value for money, fees, investment returns, member benefits and employer services, website access and functionality, super advice, insurance services and fund governance.

Just more confirmation that Quadrant members are a part of an award winning super fund.

### Important information about the year ahead

#### Asset allocation adjustments

As at 1 July 2008, the Quadrant Investment Choice fund, the Quadrant Personal Super fund and the Quadrant Super Pension have all had a slight adjustment to their investment option asset allocations.

The Quadrant Trustee monitors the investment option asset allocation benchmarks and as such, may vary from time to time the actual asset allocation of each investment option by +/- 10% based on the advice from the Quadrant asset consultant.

For more details regarding the new asset allocations effective from 1 July 2008, please refer to either the *Quadrant Investment Choice and Quadrant Personal Super Product Disclosure Statement* or the *Quadrant Super Pension Product Disclosure Statement*.

## Contribute to super the easy way

Many people already use BPAY® to pay their bills and now, through BPAY, you can contribute to your Quadrant account any time of the day or night. Payments are made electronically over the internet and if you have never used it before it doesn't take long to learn.

If you are not currently registered you can do so by visiting our website [www.quadrantsuper.com.au](http://www.quadrantsuper.com.au).

\*Registered to BPAY Pty Ltd ABN 69 079 137 518.

## Binding Death Nominations

Binding Death Benefit nominations are now available at Quadrant, which enables you to decide who will receive your death benefit if you die. If you have a valid Binding Death Benefit nomination in place at the time of your death then the Quadrant Trustee must pay your benefits to the person/s or legal personal representative you have nominated.

## Water and sewerage reform

New legislation for the water and sewerage reform has been passed and Quadrant is well and truly on top of things, working with all stakeholders to ensure Quadrant members maintain their current superannuation benefits and conditions.

Rest assured, we will keep all relevant members informed as things develop over the coming months.

## Great new insurance arrangements

We are now able to offer most members a new and improved range of personal insurance options, with premiums and conditions you'll find hard to beat elsewhere.

From 1 July 2008, eligible new members will be able to take up income protection cover with the fund, without the need to provide evidence of health, up to certain limits.

The level of death and total and permanent disablement cover we offer has also increased. You can now insure up to \$5 million for death and \$2 million for total and permanent disablement cover. A terminal illness benefit has also been added at no extra cost to you, subject to certain conditions.

All cover will apply 24 hours a day anywhere in the world regardless of where you work or live. And, while you are applying for your insurance, you'll be provided with interim accident cover with a maximum benefit of \$1 million for death cover and total and permanent disablement cover, and \$15,000 per month for income protection cover, subject to acceptance by the insurer.

To help you take full advantage of the improvements, we will also allow you to transfer your existing insurance cover from another superannuation fund to Quadrant, subject to certain conditions.

For further information about the new insurance arrangements, please refer to our *Quadrant Investment Choice and Quadrant Personal Super Product Disclosure Statement*.

## **Anti-money laundering and counter terrorism financing**

Under the Anti-Money Laundering and Counter Terrorism Financing Act 2006, superannuation funds are required to identify, monitor and mitigate the risk that the fund may be used for the laundering of money or the financing of terrorism. Because of this you may be required to provide proof of identity before you withdraw your benefit from Quadrant or commence a Quadrant Super Pension. At a minimum, you will be required to provide Quadrant with evidence that verifies your full name, your date of birth and your residential address.

## **Outsource of unit pricing**

The unit pricing function was outsourced to the Quadrant's Custodian, National Custodian Services, from 1 July 2008.

The Quadrant Trustee believes that Quadrant will realise a number of benefits from outsourcing the unit pricing function. This includes the fact that National Custodian Services is a very large organisation that specialises in providing unit pricing services to a range of superannuation funds and fund managers nationally, they have a large pool of experts in the field, and are able to invest in the latest unit pricing IT systems. Finally, it is the most effective means of ensuring Quadrant's unit pricing methodology complies with the relevant regulatory requirements and industry best practice.

# Who looks after Quadrant?

## The Directors

### Member Directors



Narelle McAllister



Tony Bailey



Brent Armstrong



Brian May



Stewart Wardlaw



Sue Buckland



Nick Heath



Lynn Mason



Allan Garcia



Frank Barta

### Employer Directors

### Trustee Directors

## The Management Team



**Wayne Davy** B.Com/LL.B, Dip FP, Cert Acc  
Chief Executive Officer  
Representative

- Oversees the operation of Quadrant
- Manages service providers
- Reports to the Trustee Board



**Graeme Sundstrom** FCPA, FCIS  
Chief Operating Officer

- Operational and human resource management
- Project management
- Provides support to the Trustee Board



**Linda Manaena** AMAMI, CPM  
Marketing Manager

- Manages Quadrant's corporate image
- Manages marketing material
- Manages client relations
- New business development



**Jeff Gillies** B.Com, ACA  
Chief Financial Officer

- Assists with management of investment funds
- Manages Quadrant accounting operations



**Stephen Bray** CFP, Dip FP  
Advisory Services Manager  
Representative

- Manages financial advisory services
- Business development
- Oversees compliance



**Paula Franklin**  
Business Process Development Manager

- Business policy and process development
- Business system development



**Andrea Ross** Dip SM  
Compliance and Risk Manager

- Manages the trustee services and risk management team
- Responsible for compliance and risk management
- Responsible for ensuring all licence conditions are met

## Managing Quadrant

The Quadrant Superannuation Scheme (ABN 12 727 521 796, Scheme Registration Number R1000269) is run by a Trustee Company, Quadrant Superannuation Pty Ltd (ABN 82 067 516 938), according to its governing legal document, the trust deed and superannuation laws. The Quadrant Trustee is responsible for the overall management and operation of the Quadrant Superannuation Scheme.

Quadrant Superannuation Pty Ltd holds an Australian Financial Services Licence (AFSL no. 290812) and a Registrable Superannuation Entity Licence (RSE L0000215) which permits it to provide general product advice and deal in a financial product.

Quadrant First Pty Ltd (ABN 78 102 167 877), a wholly owned company of Quadrant Superannuation Pty Ltd, provides administration and service delivery for the Quadrant Trustee. Quadrant First Pty Ltd has an Australian Financial Services Licence number 284443 which permits it to provide personal financial advice.

The Quadrant Trustee Board is made up of four Member Directors elected by members, four Employer Directors appointed by the peak employer body and two Trustee appointed Directors appointed by the Quadrant Trustee. This structure means that you as a member and your employer can be directly represented in deciding how Quadrant is operated and managed. A copy of the rules for appointment of Directors can be obtained by contacting us on 1800 222 209.

The Quadrant Trustee is responsible for the overall management and operation of Quadrant, including governance, investment management, compliance with superannuation and other relevant laws, financial management, member records, administration and member and employer services.

A number of committees are operated by the Quadrant Trustee including an Audit and Governance Committee, Investment Committee and Strategic Business Development Committee.

## Trustee remuneration

The Quadrant Trustee Board is remunerated and Directors are reimbursed for travel and meeting expenses. The Chairman's remuneration for 2007/2008 was \$30,000 with the Chairman of each committee receiving \$24,000. Each other Director received \$21,500. In addition, the Directors also received a superannuation guarantee payment of 9% of their remuneration. The Director's remuneration is subject to annual review.

## Service providers

The Quadrant Trustee appoints independent advisors to help carry out its responsibilities. They are:

<b>Actuary</b>	Bendzulla Actuarial Pty Ltd
<b>Administration</b>	Quadrant First Pty Ltd
<b>Advisory Services</b>	Quadrant First Pty Ltd (AFSL no.284443)
<b>Auditor</b>	Ernst and Young
<b>Custodian</b>	National Custodian Services
<b>Insurer</b>	CommInsure (commenced 1 July 2008) ING Life Ltd (ceased 30 June 2008) National Mutual Life Association of Australasia Ltd (ceased 30 June 2008)
<b>Internal auditor</b>	Deloitte
<b>Investment Consultant</b>	JANA Investment Advisers Pty Ltd

## Insurance protection

The Quadrant Trustee and Quadrant First Pty Ltd hold various indemnity insurance policies to protect Quadrant, the Quadrant Trustee Board and its officers against certain losses that could arise in running the Scheme. The Quadrant Trustee has also entered into deeds with current and past officers to provide indemnification, insurance cover and access to documents to those officers during their time in office and for 12 years afterwards.

# Your fund and its performance

## Quadrant Investment Choice fund

The Quadrant Investment Choice fund offers a range of investment options to give you a choice when investing your money. You can choose to invest all your savings in one option or split it and invest it in a number of different investment options.

## Quadrant Personal Super fund

The Quadrant Personal Super fund offers a range of options to cater for your investment and insurance needs, and doesn't require you to join through a participating employer.

## How does my account work?

If you are a member of the Quadrant Investment Choice fund or the Quadrant Personal Super fund, your superannuation is 'accumulation' style – which means that it works in a similar way to a savings account. Your account will receive contributions (including rollovers and transfers) and is reduced by withdrawals, taxes, management costs and insurance premiums (as applicable) plus or minus any investment earnings based upon the movement in the unit price of your investment.

The money you put into superannuation buys units in the investment option/s you choose. These units go up and down in price with the fluctuation in the market, so the movement of your account reflects the value of the units. See the table below to find out the investment returns of each option for the past five years.

## Quadrant Investment Choice fund returns to 30 June

Financial Year	High Growth	Growth	*Balanced	Sustainable Future	**Moderate	Stable	Conservative
2004	16.7%	13.3%	n/a	8.7%	9.1%	5.1%	3.7%
2005	15.1%	13.0%	n/a	10.2%	11.5%	8.0%	4.4%
2006	20.2%	16.2%	7.3%*	11.9%	10.9%	6.3%	4.4%
2007	19.3%	15.9%	14.5%	11.0%	11.6%	6.9%	4.8%
2008	-13.1%	-9.5%	-7.6%	-4.0%	-3.9%	1.7%	3.2%
5 year compound average	10.8%	9.3%	n/a	7.4%	7.7%	5.6%	4.1%

\*New investment option introduced in December 2005. Investment return is for the 7 month period from 1 December 2005 to 30 June 2006.

\*\*The Moderate investment option was called Balanced prior to December 2005.

## Quadrant Personal Super fund returns from 1 December 2005 to 30 June 2008

Financial Year	High Growth	Growth	Balanced	Sustainable Future	Moderate	Stable	Conservative
2006*	9.7%	8.1%	7.3%	6.8%	5.8%	3.4%	2.6%
2007	19.3%	15.9%	14.5%	11.0%	11.6%	6.9%	4.8%
2008	-13.1%	-9.5%	-7.6%	-4.0%	-3.9%	1.7%	3.2%

\*Investment return is for the 7 month period from 1 December 2005 to 30 June 2006.

Returns shown are net of fees and charges so in true Quadrant style – what you see is what you get with no additional fees, charges or taxes. Past performance does not guarantee that future performance will be the same or similar.

## Asset allocation for the Quadrant Investment Choice fund and the Quadrant Personal Super fund as at 30 June 2008 and 30 June 2007

Investment Option Asset Allocation Benchmarks*	Available Fund	Investment Objective	Suggested Investment Timeframe	Risk Level	Chance of Negative Return
<b>High Growth</b> 	<b>Quadrant Investment Choice fund</b>  <b>Quadrant Personal Super</b>	To produce returns exceeding the growth in Consumer Price Index by 5% over the medium to long term.	5+ years	High to Very High	You may expect to receive around three to four negative returns on your annual benefit statement in a 10-year period.
<b>Growth</b> 		To produce returns exceeding the growth in Consumer Price Index by 4% over the medium to long term.	5 years	High	You may expect to receive around three negative returns on your annual benefit statement in a 10-year period.
<b>Balanced</b> 		To produce returns exceeding the growth in Consumer Price Index by 3.5% over the medium to long term.	3-5 years	Medium to High	You may expect to receive around two to three negative returns on your annual benefit statement in a 10-year period.
<b>Sustainable Future</b> 		To produce returns exceeding the growth in Consumer Price Index by 3% over the medium to long term.	3-5 years	Medium to High	You may expect to receive around two negative returns on your annual benefit statement in a 10-year period.
<b>Moderate</b> 		To produce returns exceeding the growth in Consumer Price Index by 3% over the medium to long term.	3-5 years	Medium	You may expect to receive around two negative returns on your annual benefit statement in a 10-year period.
<b>Stable</b> 		To produce returns exceeding the growth in Consumer Price Index by 2% over the medium term.	3 years	Low to Medium	You may expect to receive around one negative return on your annual benefit statement in a 10-year period.
<b>Conservative</b> 		To produce returns exceeding the growth in Consumer Price Index by 1% each year.	1 year	Low	Not expected

To obtain up to date information including past and current investment performance figures for each of these options please contact us on 1800 222 209 or check our website at [www.quadrantsuper.com.au](http://www.quadrantsuper.com.au). Past performance does not guarantee that future performance will be the same or similar.

\*The Quadrant Trustee may vary from time to time the actual asset allocation of each investment option by +/- 10% from the asset allocation benchmarks outlined above.



## How your money is diversified

The investment options and asset allocation for both the Quadrant Investment Choice fund and the Quadrant Personal Super fund are the same. Please refer to our *Quadrant Investment Choice Fund and Quadrant Personal Super Fund Product Disclosure Statement* for more information.

Most investments are 'volatile' in that they have their ups and downs. By diversifying, if one asset class is not performing as well as expected, other assets may help to balance the overall return.

The Quadrant Trustee does not guarantee performance of any investment option. The returns will vary over time with changes in value of the underlying assets. Past performance is no indication of future performance.

The Quadrant Trustee may vary from time to time the asset allocation percentage for each investment option by +/-10% of the published asset allocation percentage outlined in the table on page 10.

The table on page 10 shows the asset allocation of the Quadrant Investment Choice fund and the Quadrant Personal Super fund.

The asset allocation for all the investment options in the Quadrant Investment Choice and Quadrant Personal Super funds were the same as at 30 June 2007 and 30 June 2008. However, the asset allocations for both funds changed on 1 July 2008. Please refer to our *Quadrant Investment Choice Fund*

and *Quadrant Personal Super Fund Product Disclosure Statement* for more information.

## Quadrant Super Pension

The Quadrant Super Pension allows you to invest your retirement benefits within the fund and receive a tax effective income stream that is flexible to suit your needs. Please refer to our *Quadrant Super Pension Product Disclosure Statement* for more information about the Quadrant Super Pension or speak with a Quadrant First financial advisor, ASFL no. 284443.

## How does my account work?

If you are a member of the Quadrant Super Pension fund, your account is 'accumulation' style – which means that it works in a similar way to a savings account. Your account will be reduced by regular pension payments, lump sum withdrawals and management costs plus or minus any investment earnings based upon the movement in the unit price of your investment.

Your pension payments will continue until your investment account is exhausted. One important point to note about an account based pensions is that there is no guarantee that you will have an income stream for your lifetime or any fixed period. The longevity of your investment will depend on how much you draw out annually and how your investment performs.

## Quadrant Super Pension returns from 1 December 2005 to 30 June 2008

Financial Year	High Growth	Growth	Balanced	Moderate	Stable	Conservative
2006*	n/a	n/a	8.2%	6.5%	4.0%	2.9%
2007	n/a	n/a	15.2%	12.2%	7.1%	5.6%
2008	-15.5%	-11.4%	-9.3%	-4.2%	1.6%	3.8%

\* Investment return is for the 7 month period from 1 December 2005 to 30 June 2006.

Returns shown are net of fees and charges so in true Quadrant style – what you see is what you get with no additional fees, charges or taxes. Past performance does not guarantee that future performance will be the same or similar.

## How your money is diversified

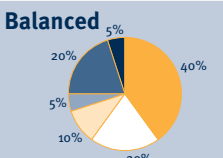
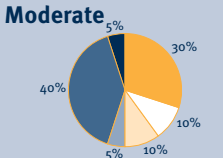

Most investments are 'volatile' in that they have their ups and downs. By diversifying, if one asset class is not performing as well as expected, other assets may help to balance the overall return.

The Quadrant Trustee does not guarantee performance of any investment option. The returns will vary over time with changes in value of the underlying assets. Past performance is no indication of future performance.

The Quadrant Trustee may vary from time to time the asset allocation percentage for each investment option by +/-10% of the published asset allocation percentage outlined in the following tables.

The following tables show the asset allocation of the Quadrant Super Pension fund as at 30 June 2007 and 30 June 2008. However, the asset allocations changed from 1 July 2008. Please refer to our *Quadrant Super Pension Product Disclosure Statement* for more information.

## Asset allocation for the Quadrant Super Pension fund as at 30 June 2007

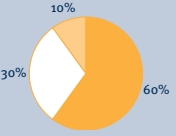
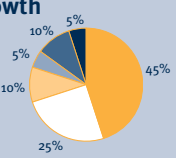
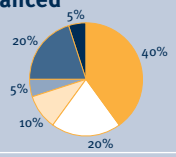
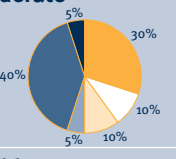
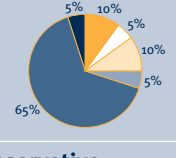
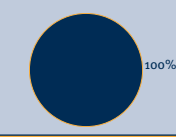
Investment Option Asset Allocation Benchmarks*	Available Fund	Investment Objective	Suggested Investment Timeframe	Risk Level	Chance of Negative Return
<b>Balanced</b> 	<b>Quadrant Super Pension fund</b>	To produce returns exceeding the growth of the Consumer Price Index by 3.5% over the medium to long term.	3-5 years	Medium to High	You may expect to receive around two to three negative returns on your annual benefit statement in a 10-year period.
<b>Moderate</b> 		To produce returns exceeding the growth in Consumer Price Index by 3% over the medium to long term.	3-5 years	Medium	You may expect to receive around two negative returns on your annual benefit statement in a 10-year period.
<b>Stable</b> 		To produce returns exceeding the growth in Consumer Price Index by 2% over the medium term.	3 years	Low to Medium	You may expect to receive around one negative return on your annual benefit statement in a 10-year period.
<b>Conservative</b> 		To produce returns exceeding the growth in Consumer Price Index by 1% each year.	1 year	Low	Not expected

To obtain up to date information including past and current investment performance figures for each of these options please contact us on 1800 222 209 or check our website at [www.quadrantsuper.com.au](http://www.quadrantsuper.com.au). Past performance does not guarantee that future performance will be the same or similar.

\*The Quadrant Trustee may vary from time to time the actual asset allocation of each investment option by +/- 10% from the asset allocation benchmarks outlined above.

■ Australian Shares   
 ■ International Shares   
 ■ Property   
 ■ Alternatives   
 ■ Fixed Interest   
 ■ Cash

## Asset allocation for the Quadrant Super Pension fund as at 30 June 2008

Investment Option Asset Allocation Benchmarks*	Available Fund	Investment Objective	Suggested Investment Timeframe	Risk Level	Chance of Negative Return
<b>High Growth</b> 	<b>Quadrant Super Pension fund</b>	To produce returns exceeding the growth in Consumer Price Index by 5% over the medium to long term.	5+ years	High to Very High	You may expect to receive around three to four negative returns on your annual benefit statement in a 10-year period.
<b>Growth</b> 		To produce returns exceeding the growth in Consumer Price Index by 4% over the medium to long term.	5 years	High	You may expect to receive around three negative returns on your annual benefit statement in a 10-year period.
<b>Balanced</b> 		To produce returns exceeding the growth in Consumer Price Index by 3.5% over the medium to long term.	3-5 years	Medium to High	You may expect to receive around two to three negative returns on your annual benefit statement in a 10-year period.
<b>Moderate</b> 		To produce returns exceeding the growth in Consumer Price Index by 3% over the medium to long term.	3-5 years	Medium	You may expect to receive around two negative returns on your annual benefit statement in a 10-year period.
<b>Stable</b> 		To produce returns exceeding the growth in Consumer Price Index by 2% over the medium term.	3 years	Low to Medium	You may expect to receive around one negative return on your annual benefit statement in a 10-year period.
<b>Conservative</b> 		To produce returns exceeding the growth in Consumer Price Index by 1% each year.	1 year	Low	Not expected

To obtain up to date information including past and current investment performance figures for each of these options please contact us on 1800 222 209 or check our website at [www.quadrantsuper.com.au](http://www.quadrantsuper.com.au). Past performance does not guarantee that future performance will be the same or similar.

\*The Quadrant Trustee may vary from time to time the actual asset allocation of each investment option by +/- 10% from the asset allocation benchmarks outlined above.

■ Australian Shares   
 ■ International Shares   
 ■ Property   
 ■ Alternatives   
 ■ Fixed Interest   
 ■ Cash

## Quadrant Defined Benefits fund

If you're a member of the Quadrant Defined Benefits fund, your superannuation benefits are worked out according to a formula based on a range of factors which may include your salary and the number of years you've been a member of Quadrant.

Using a formula means that the amount of your benefit can be defined in advance. This is why it's called a 'defined benefit'.

The amount of money you are paid when you leave your employer will depend on a range of factors which may include your salary, your years of service and whether you're over or under age 55. Please refer to your *annual benefit statement* for details on how any payout benefit is calculated specifically for you.

If you make additional contributions to your Quadrant Defined Benefits account or roll over money from another superannuation fund the money will grow on an accumulation basis (which is in addition to your defined benefit).

## Quadrant Accelerated Benefits fund

If you're a member of the Quadrant Accelerated Benefits fund, which includes the Retained Benefits members, your superannuation is 'accumulation' style, which means it works in a similar way to a savings account with both your employer and your own contributions paid directly to your account. The money is invested using the same investment style as the Quadrant Defined Benefits fund and investment returns are 'smoothed' over a three-year period.

## How is my return calculated?

The crediting rate for the Quadrant Defined Benefits fund and the Quadrant Accelerated Benefits fund is 'smoothed' to help minimise the effects of investment fluctuations. This means the crediting rate is calculated as being the compound average net earning rate of the past three years.

Your smoothed return may therefore be lower than market returns in some years and higher than market returns in other years. You may receive lower crediting rates in periods of higher market returns and higher crediting rates in periods of lower or negative market returns. The overall result is that over time you will receive the return of the underlying investment strategy with a reduced chance of receiving a negative return in any one year.

The crediting rate is net of any fees and charges so in true Quadrant style – what you see is what you get with no hidden fees, costs or taxes.

## Quadrant Defined Benefits and Accelerated Benefits funds returns to 30 June

Reporting Period	Crediting Rate	Earning Rate
2004	3.82%	11.84%
2005	10.00%	13.20%
2006	14.00%	14.66%
2007	14.50%	15.04%
2008	6.40%	-6.89%
5 year compound average	9.66%	9.23%

The crediting rate is net of any fees and taxes.

Past performance does not guarantee that future performance will be the same or similar.

## HCC Defined Benefits fund

As a member of the HCC Defined Benefits fund, your superannuation benefits are worked out according to a formula based on a range of factors which may include your age, your category of membership, your salary and the number of years you've been a member.

Using a formula means that your benefit can be defined in advance. This is why it's called a 'defined benefit'. Your *annual benefit statement* gives you all the information you need to work out your payout if you leave.

If you make additional contributions to your HCC Defined Benefits account or roll over money from another superannuation fund the money will grow on an accumulation basis (which is in addition to your defined benefit).

## How is my return calculated?

The crediting rate for the HCC Defined Benefits fund is 'smoothed' to help minimise the effects of investment fluctuations. This means the crediting rate is calculated as being the compound average net earning rate of the past three years.

Your smoothed return may therefore be lower than market returns in some years and higher than market returns in other years. You may receive a lower crediting rate in periods of higher returns and higher crediting rates in periods of lower or negative market returns. The overall result is that over time you will receive the return of the underlying investment strategy with a reduced chance of receiving a negative return in any one year.

The crediting rate is net of any fees and charges so in true Quadrant style – what you see is what you get with no additional fees, charges or taxes.

## HCC Defined Benefits fund returns to 30 June

Reporting Period	Crediting Rate	Earning Rate
2004	2.08%	11.84%
2005	7.60%	13.20%
2006	12.58%	14.66%
2007	13.60%	15.04%
2008	6.40%	-6.89%
5 year compound average	8.37%	9.23%

The crediting rate is net of any fees and taxes.

Past performance does not guarantee that future performance will be the same or similar.

## HCC Policy Group

The Hobart City Council Superannuation Scheme has a Superannuation Policy Group to oversee the activities of the HCC Defined Benefits fund. As at 30 June 2008 the representatives were:

Member Representatives	Employer Representatives
Nick Heath	Ald. Dr John Freeman
John Phillips	Ald. Philip Cocker
	Ald. Elise Archer

## RACT Defined Benefits Fund

As a member of the RACT Defined Benefits fund, your superannuation benefits are worked out according to a formula based on a range of factors, which may include your category of membership, your age, your salary and the number of years you've been a member.

Using a formula means that your benefit can be defined in advance. This is why it's called a 'defined benefit'. Your *annual benefit statement* gives you all the information you need to work out your payout if you leave.

## How is my return calculated?

The crediting rate for the RACT Defined Benefits fund is 'smoothed' to help minimise the effects of investment fluctuations. This means the crediting rate is calculated as being the compound average net earning rate of the past three years.

Your smoothed return may therefore be lower than market returns in some years and higher than market returns in other years. You may receive a lower crediting rate in periods of higher returns and higher crediting rates in periods of lower or negative market returns. The overall result is that over time you will receive the return of the underlying investment strategy with a reduced chance of receiving a negative return in any one year.

The crediting rate is net of any fees and charges so in true Quadrant style – what you see is what you get with no additional fees, charges or taxes.

## RACT Defined Benefits fund returns to 30 June

Reporting Period	Crediting Rate	Earning Rate
2004	0.76%	11.84%
2005	6.44%	13.20%
2006	12.58%	14.66%
2007	13.60%	15.04%
2008	6.40%	-6.89%
5 year compound average	7.85%	9.23%

The crediting rate is net of any fees and taxes.

Past performance does not guarantee that future performance will be the same or similar.

## RACT Policy Committee

A Policy Committee operates to oversee the RACT Defined Benefits fund. The membership of the Policy Committee is currently being reviewed by the RACT.

## LCC Defined Benefits fund

As a member of the LCC Defined Benefits fund, you may be entitled to a defined benefit or an accumulation benefit or both depending on your membership.

Defined benefits are worked out according to a formula based on a range of factors which may include your salary and the number of years you've been a member. Using a formula means that your benefit can be defined in advance. This is why it's called a 'defined benefit'. Your *annual benefit statement* gives you all the information you need to work out your payout if you leave.

As an accumulation benefit member, your superannuation benefit is based on the balance of your account at the time of leaving the fund. The balance is an accumulation of contributions (including rollovers and transfers) and is reduced by withdrawals, taxes, administration fees and insurance premiums (as applicable) plus or minus investment earnings (based on the applicable crediting rate of the fund).

If you are an accumulation benefit member and have any insurance cover in place and you die or become totally and permanently disabled then an additional amount may be paid.

Your *annual benefit statement* gives you all the information you need to work out your superannuation benefits if you leave the fund.

If you are a defined benefits member you must contribute 6% of your salary to the LCC Defined Benefits fund. You may also make additional voluntary contributions or rollover money from another superannuation fund. In this case the money will grow on an accumulation basis (which is in addition to your defined benefits).

Please refer to the *LCC Defined Benefits fund Product Disclosure Statement* for more information about how the fund works.

## How is my return calculated?

The crediting rate for the LCC Defined Benefits fund is 'smoothed' to help minimise the effects of investment fluctuations. This means the crediting rate is calculated as being the weighted average net earning rate of the past three years. The weightings are 50% of the current year, 30% of the preceding year and 20% of the year prior to that. Your smoothed return may therefore be lower than market returns in some years and higher than market returns in other years. You may receive a lower crediting rate in periods of higher returns and higher crediting rates in periods of lower or negative market returns. The overall result is that over time you will receive the return of the underlying investment strategy with a reduced chance of receiving a negative return in any one year.

The crediting rate is net of any fees and charges so in true Quadrant style – what you see is what you get with no additional fees, charges or taxes.

## LCC Defined Benefits fund returns to 30 June

Reporting Period	Crediting Rate	Earning Rate
2004	5.80%	12.60%
2005	9.90%	11.80%
2006	13.50%	14.80%
2007	13.60%	14.90%
2008	4.50%	-5.84%
5 year compound average	9.39%	9.35%

The crediting rate is net of any fees and taxes.

Past performance does not guarantee that future performance will be the same or similar.

## LCC Policy Committee

A Policy Committee has been formed to oversee the LCC Defined Benefits fund. As at 30 June 2008 the representatives are:

Member Representatives	Employer Representatives
Michael Tidey (Secretary)	Ald. Graeme Beams (Chairman)
Robert Groenewegen	Ald. Margot Smart
Kevin Crombleholme	Ald. Albert Van Zetten

# Fund Investments

The Quadrant Trustee employs the services of an asset consultant, JANA Investment Advisers Pty Ltd, and a range of investment managers. JANA Investment Advisers Pty Ltd is employed to oversee investments, provide reporting and give advice to the Quadrant Trustee Board. Investment managers are employed to undertake investments on behalf of the Quadrant Trustee.

## Smoothing policy

The crediting rate for each of the Defined Benefits funds and the Accelerated Benefits fund is 'smoothed', which helps to minimise the effects of variations in returns from year to year. The crediting rate is calculated as the average of returns over the past three years.

The interim crediting rate is calculated quarterly and applies to exiting members in each of the Defined Benefits funds and Accelerated Benefits fund. The interim crediting rate is the lesser of the final crediting rate or the compound average of returns over the relevant preceding three years.

## What's the difference between the 'earning' rate and the 'crediting' rate?

The 'earning' rate is the actual rate of earnings, net of investment manager fees and provision for taxation, which the fund has achieved during the year.

The 'crediting' rate is the rate of earnings credited to your account if you are a Defined Benefits funds or Accelerated Benefits fund member. The crediting rate is set by the Quadrant Trustee based upon the 'smoothed' return for the last three years.

## What rate is used if I leave Quadrant before 30 June?

If you are a member of a Defined Benefits funds or the Accelerated Benefits fund, and you leave Quadrant during the year, an interim rate is used to credit interest to your account so you don't miss out. This rate is generally set on a quarterly basis by the Quadrant Trustee and can be set more frequently if required. You can find out the interim rate at the time you leave by contacting us on 1800 222 209.

## How does Quadrant diversify its investments?

As a way of controlling risk, the Quadrant Trustee spreads money among all the major asset classes. This is called 'diversification'. Another way we diversify is by investing money with different companies that manage our investments.

## Asset allocation for Defined Benefits and Accelerated Benefits funds

The following table shows how Quadrant money was split between different types of investments in the Quadrant Defined Benefits fund, the Quadrant Accelerated Benefits fund, the HCC Defined Benefits fund and the RACT Defined Benefits fund as at 30 June 2008 and 30 June 2007:

	2008	2007
Australian Shares	32.2%	36.8%
International Shares	17.0%	22.8%
Property	12.5%	11.4%
Diversified Fixed Interest	16.0%	6.9%
Alternatives	9.9%	9.2%
Cash	12.4%	12.9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Who does Quadrant invest money with?

Quadrant appoints professional investment managers to undertake investments on behalf of the Quadrant Trustee. The following table shows the amount of money each investment manager invested at 30 June 2008 and 30 June 2007:

Investment	Investment Manager	30 June 2008 (\$)	%	30 June 2007 (\$)	%
Cash	Cash at Bank	5,821,799	1.33	22,811,859	5.05
	ANZ Pool – Cash Plus Fund	47,389,195	10.80	27,662,819	6.12
Diversified Fixed Interest	Legg Mason Diversified Fixed Income Trust (Class A)	26,331,779	6.00	0.00	0.00
	Macquarie Enhanced Australian Fixed Interest Fund	14,660,875	3.34	22,997,730	5.09
	PIMCO Diversified Fixed Interest Trust	14,917,051	3.40	0.00	0.00
	PIMCO Wholesale Global Bond Fund	11,878,249	2.71	27,110,006	6.00
	The Super Loans Trust	493,648	0.11	501,612	0.11
	Loan – Quadrant First Pty Ltd	35,488	0.01	77,988	0.02
	Property	AMP Market Linked Direct Property Fund	30,745,876	7.00	27,091,474
	Dexus Wholesale Property Fund	18,416,120	4.20	17,020,123	3.77
Australian Shares	AMP Capital Sustainable Share Fund	1,787,715	0.41	674,733	0.15
	Challenger Wholesale Australian Share Fund	48,033,987	10.94	0.00	0.00
	GMO Australian Equity Trust	38,797,322	8.84	51,312,038	11.36
	SSgA Australia Alpha Edge Trust	48,279,055	11.00	48,958,495	10.84
	UBS Australian Share Fund	0.00	0.00	46,002,502	10.18
	Quadrant First Pty Ltd at cost	100	0.00	100	0.00
International Shares	AllianceBernstein Global Style Blend Trust	24,826,933	5.66	29,252,346	6.48
	BIAM Australia International Equities Fund	0.00	0.00	14,031,760	3.11
	BNP Paribas-MFS Fully Hedged Global Equity Trust	20,306,980	4.63	0.00	0.00
	CFS Wholesale Global Emerging Market Fund	10,046,153	2.29	9,132,765	2.02
	CFS Acadian Wholesale Global Equities Long/Short Fund	9,037,658	2.06	0.00	0.00
	CNA Capital International Global Equity Trust	13,341,422	3.04	6,338,961	1.40
	CNA Capital International Global Equity Trust - Currency Hedged	13,532,852	3.08	21,737,836	4.81
	AUSBIL - Dexia Sustainable Global Equity Fund	574,877	0.13	172,522	0.04
Growth Alternatives	Macquarie Alternative Investment Trust	378,839	0.09	424,149	0.09
	Macquarie Alternative Investment Trust IV	3,699,353	0.84	2,651,804	0.59
	First Tasmania Investment Ltd	116,305	0.03	162,110	0.04
	Industry Super Holdings Pty Ltd	466,873	0.11	487,084	0.11
Defensive Alternatives	AMP Strategic Infrastructure Trust of Europe	4,429,976	1.01	3,753,728	0.83
	GMO Multi-Strategy Trust	10,842,282	2.47	7,769,002	1.72
	SSgA Asia Pacific Alpha Equities Market Neutral Trust	10,094,961	2.30	7,886,919	1.75
	Warakirri Alternatives Strategies Fund	9,672,651	2.20	7,611,464	1.69
Insurance Policy	MLC Corporation Investment Policy LCC	0.00	0.00	48,048,818	10.64
<b>Total</b>		<b>438,956,374</b>	<b>100</b>	<b>451,682,747</b>	<b>100</b>

## Investment policy

Quadrant's strategic asset allocation benchmark and the range of investments provide diversification. Where practical, multiple investment managers will be appointed to capture the benefits to be derived from style diversification. Within asset classes, the Quadrant Trustee seeks investments of a diversified nature with a range of levels of risk and return.

The longer-term objectives for the Quadrant Defined Benefits fund, the Quadrant Accelerated Benefits fund, the HCC Defined Benefits fund, the RACT Defined Benefits fund and the LCC Defined Benefits fund are consistent with the objectives of the Growth investment option in the Quadrant Investment Choice fund. The Quadrant Trustee determines changes for the neutral asset allocation from time to time for each or all funds.

## Investment changes in 2007/2008

During the financial year there were a number of changes to the investment structure.

### The Quadrant Trustee terminated investments in:

- BIAM Australian International Equities Fund
- MLC Corporation Investment Policy LCC
- UBS Australian Share Fund

### Investments were commenced in:

- BNP Paribas-MFS Fully Hedged Global Equity Trust
- CFS Acadian Wholesale Global Equities Long/Short Fund
- Challenger Wholesale Australian Share Fund
- Legg Mason Diversified Fixed Income Trust (Class A)
- PIMCO Diversified Fixed Interest Trust

## Policy on Derivatives

The investments of this fund may have exposure to derivatives. The investment managers may use derivatives for a variety of strategies including protecting the value of the portfolio, changing market exposure quickly and to foreign currency risk.

The Quadrant Trustee believes that the risk management strategies for the fund's investment managers are appropriate for the fund's investments.

## LCC Defined Benefits fund investments

### Asset allocation for the LCC Defined Benefits fund

The following table shows how the LCC Defined Benefits money was split between different types of investments as at 30 June 2008 and 30 June 2007:

	2008	2007
Australian Shares	0%	34%
International Shares	0%	24%
Property	0%	11%
Diversified Fixed Interest	0%	12%
Alternatives	0%	3%
Cash	0%	16%
<b>Total</b>	<b>0%</b>	<b>100%</b>

From August 2007 the investments of the LCC Defined Benefits fund were invested with Quadrant's investment managers. The investments of the LCC Defined Benefits fund are invested in accordance with the investment policy of the Quadrant Trustee. The asset allocation has been aligned with Quadrant's asset allocation and may be changed from time to time to meet any specific objectives of the LCC Defined Benefits fund.

### Who does the LCC Defined Benefits fund invest money with?

The following table shows the individual investments of the LCC Defined Benefits fund as at 30 June 2008 and 30 June 2007:

Investment	30 June 2008 (\$)	30 June 2007 (\$)
Cash at Bank	0.00	709,357
MLC No. 2 Fund	0.00	48,048,818
<b>Total</b>	<b>0.00</b>	<b>48,758,175</b>

The table shown on page 22 outlines the investment manager exposure in the MLC No. 2 fund.

### Investment Changes in 2007/2008

The MLC No. 2 Fund investment was redeemed in August 2007 and the proceeds were incorporated into the Quadrant Investment Manager Structure.

## Investment manager exposure in the MLC No.2 Fund.

Asset class	Investment manager	30 June 2008 (\$)	30 June 2007 (\$)
MLC No. 2 Fund			
Cash	National Asset Management	0.00	7,099,163
Diversified Fixed Interest	Blackrock Investment Management	0.00	1,804,625
	PIMCO	0.00	2,407,522
	UBS Asset Management	0.00	1,792,911
Property	AMP	0.00	4,819,801
	Charter Hall	0.00	511,086
Australian Shares	Acadian	0.00	428,486
	Balanced Equity Management	0.00	4,644,300
	Concord Capital	0.00	464,116
	Cooper Investors Pty Ltd	0.00	2,180,064
	GMO	0.00	850,754
	Maple Brown Abbott	0.00	2,062,298
	Paradise Cooper Investors	0.00	1,230,683
	Perpetual Investments	0.00	423,534
	Renaissance	0.00	154,082
	State Street Global Advisors	0.00	2,029,608
	Wallara	0.00	2,330,109
International Shares	Acadian	0.00	2,511,848
	Acadian Long Short	0.00	149,600
	Ballie Gifford	0.00	986,337
	Bank of Ireland Asset Management	0.00	1,923,115
	Capital International	0.00	1,472,758
	Goldmans Sachs Long Short	0.00	239,210
	Marathon	0.00	1,668,700
	Marvin & Palmer	0.00	608,421
	Pzena Investment Management	0.00	744,996
	SSgA Long Short	0.00	206,676
Wellington	0.00	1,073,256	
Alternatives	GMO	0.00	617,238
	Harris Alternatives	0.00	613,521
<b>Total</b>		<b>0.00</b>	<b>48,048,818</b>

## Other things you need to know

### Costs and deductions

To ensure members get the most out of their superannuation savings the costs of running Quadrant are managed carefully. Investment managers' expenses are taken into account in the investment returns they declare. The total other management costs per annum as at 30 June 2008 for the Quadrant Defined Benefits fund, the Quadrant Accelerated Benefits fund, the HCC Defined Benefits fund and the RACT Defined Benefits fund was 1.30%.

The total other management cost for the LCC Defined Benefits fund was 0.68%. The Quadrant administration fee for defined benefits members is an expense of the fund and not paid by the members. Accumulation benefits only members pay an administration fee of \$0.90 per week.

The total other management costs for the Quadrant Investment Choice fund, the Quadrant Personal Super fund and the Quadrant Super Pension were as follows:

Quadrant Investment Choice and Quadrant Personal Super fund investment options	Total other management costs as at 30 June 2008
High Growth	1.31%
Growth	1.32%
Balanced	1.28%
Sustainable Future	1.33%
Moderate	1.23%
Stable	1.08%
Conservative	0.79%

Quadrant Super Pension investment options	Total other management costs as at 30 June 2008
High Growth	1.42%
Growth	1.42%
Balanced	1.37%
Moderate	1.28%
Stable	1.18%
Conservative	0.89%

These fees include all costs of the Scheme, including administration, services and investments but do not include insurance premiums or taxes.

### Superannuation surcharge

Superannuation surcharge is a tax that applies to higher income earners.

The Quadrant Trustee pays the surcharge in accordance with surcharge assessments issued by the Australian Taxation Office. The amount of surcharge payable is deducted from the account balances of members in the Quadrant Investment Choice fund, Quadrant Personal Super fund, the Quadrant Accelerated Benefits fund and the Quadrant Super Pension. A contra account has been set up to record the surcharge liability of members in the Quadrant Defined Benefits fund, the HCC Defined Benefits fund, the RACT Defined Benefits fund and the LCC Defined Benefits fund that will attract interest at the crediting rate of each fund. You have the option to pay your surcharge liability into your account so that your superannuation benefit is not affected.

From 1 July 2005 any surcharge payable on contributions was abolished by the Australian Government. Any surcharge applicable up to 30 June 2005 will still be payable from your superannuation benefit.

## Reserving policy

The Quadrant Trustee monitors the funding and solvency position of each fund as well as reserves.

The financial position of the overall Scheme is monitored on an ongoing basis as well as the financial position of each fund including the HCC Defined Benefits fund, the RACT Defined Benefits fund and the LCC Defined Benefits fund.

The Quadrant Trustee determines the reserving policy for the Scheme in accordance with the governing rules and the relevant law.

The reserves based upon the vested benefits of the Scheme as at 30 June 2008, 30 June 2007 and 30 June 2006 are set out in the table below.

## Funding position as at 30 June 2008, 30 June 2007 and 30 June 2006

Fund	Vested Benefits \$million			Assets \$million			Vested Benefits Index		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Quadrant Defined Benefits fund	77.08	75.83	67.22	84.79	83.41	73.94	110.0%	110.0%	110.0%
Quadrant Accelerated Benefits fund	39.46	44.51	40.44	39.46	44.51	40.44	100.0%	100.0%	100.0%
HCC Defined Benefits fund	48.24	44.96	39.83	46.97	51.62	44.72	97.4%	114.8%	112.3%
RACT Defined Benefits fund	1.12	2.26	2.01	1.36	2.68	2.28	121.4%	118.6%	113.4%
Quadrant Investment Choice fund	226.73	204.67	150.78	226.73	204.67	150.78	100.0%	100.0%	100.0%
Quadrant Retained Benefits fund	4.39	4.39	4.49	4.39	4.39	4.49	100.0%	100.0%	100.0%
LCC Defined Benefits fund	41.96	40.67		44.14	48.76		105.2%	119.9%	
<b>Totals before reserves</b>	<b>438.98</b>	<b>417.29</b>	<b>304.77</b>	<b>447.84</b>	<b>440.04</b>	<b>316.65</b>	<b>102.0%</b>	<b>105.5%</b>	<b>103.9%</b>
Total reserves				5.83	25.70	22.14			
<b>Totals</b>	<b>438.98</b>	<b>417.29</b>	<b>304.77</b>	<b>453.67</b>	<b>465.74</b>	<b>338.79</b>	<b>103.3%</b>	<b>111.6%</b>	<b>111.2%</b>

The Vested Benefits Index is the assets divided by the vested benefits of the fund for each financial year as at 30 June 2008, 30 June 2007 and 30 June 2006.

On 1 July 2006, the City of Launceston Employees Superannuation Fund (known as 'CLESF') was transferred to the Quadrant Superannuation Scheme on a successor fund transfer basis. The table below shows the CLESF funding position as at 30 June 2006 just prior to the transfer.

## Funding position of the LCC Defined Benefits fund as at 30 June 2008, 30 June 2007 and 30 June 2006

Fund	Vested Benefits \$million			Assets \$million			Vested Benefits Index		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
LCC Defined Benefits fund	41.96	40.67	35.93	44.14	48.76	42.18	105.2%	119.9%	117.4%

## Trust deed amendments

The trust deed was amended on 1 July 2007 for a range of reasons including to:

- Outline the changes required by the “Simplier Super” legislation
- Introduce the ability for members to split contributions with their spouses as provided for by relevant legislation
- Introduce an account based pension
- Introduce the ability to offer Binding Death Benefit nominations.

## Enquiries and complaints

If you have any questions, you should contact us on 1800 222 209. Most queries can be sorted out over the phone, but if we are unable to help you immediately, then we will seek to reply to you within 28 days. If you’re unhappy or dissatisfied with the operations of Quadrant you can make a complaint or provide a suggestion by contacting the Complaints Officer on 1800 222 209 or write to:

*Complaints Officer  
Quadrant Superannuation  
GPO Box 863, Hobart TAS 7001*

If contacting the Complaints Officer does not satisfy your complaint, you can take the matter directly to the Quadrant Trustee by asking to have your complaint considered at the next Quadrant Trustee Board meeting. It is the Quadrant Trustee’s policy to deal with enquiries and complaints within 28 days of receipt. If more time is needed to resolve your complaint, you’ll be kept informed of the progress.

If you are not satisfied with the decision of the Quadrant Trustee or the Quadrant Trustee has not responded in 90 days, then you may make a complaint to the Superannuation Complaints Tribunal. The Superannuation Complaints Tribunal is an independent body set up by the Australian Government to help you and your beneficiaries resolve superannuation complaints through conciliation. You can contact the Superannuation Complaints Tribunal on 1300 780 808. Access to the Superannuation Complaints Tribunals is free of charge.

## Need more information?

You may request information to help you understand your benefit entitlements or the main features of the fund, or to enable you to make an informed judgement about the management and financial condition of the fund.

You may request a copy of:

- The most recent Product Disclosure Statement
- The most recent audited accounts together with the auditor’s report in relation to the accounts
- The trust deed and rules
- The group life and income protection policies issued to the Quadrant Trustee
- The risk management policy
- The privacy policy.

Please contact us on 1800 222 209 to obtain any further information.

## Keeping your superannuation with Quadrant

Quadrant members can maintain their superannuation with Quadrant even if they retire early or change employers.

If you are a Quadrant Investment Choice or a Quadrant Personal Super member and you leave your job you can leave your superannuation account with Quadrant. We will maintain your existing investment instruction or, if we have no instructions, your money will be invested in the Moderate option.

If you are a Defined Benefits or Accelerated Benefits member your superannuation will be transferred to the Quadrant Investment Choice fund and invested in the Moderate option unless you advise us in writing of your preferred investment option/s.

In either case, your insurance arrangements will remain unchanged however the definition of total and permanent disablement may differ.

When you leave your account with Quadrant you will continue to receive a high level of service and all the other Quadrant benefits for the same low fee. You can also continue to contribute to your superannuation subject to legislation.

## Unclaimed money

If:

- You have reached age 65
- There have been no contributions into your account for two years and
- It is five years since Quadrant last had contact with you and Quadrant is again unable to contact you, after making reasonable efforts

your investment may become unclaimed money.

Unclaimed money must be paid to the Australian Taxation Office. The Australian Taxation Office will administer the unclaimed monies and maintain a register. Quadrant is required to report and pay unclaimed money to the Australian Taxation Office every six months.

## Lost members

If you are an inactive member and we lose contact with you the Quadrant Trustee may transfer your account balance to our nominated Eligible Rollover Fund. Losing contact with you means that we do not know of your whereabouts and our attempts to contact you in writing have failed. Quadrant transfers money to the Eligible Rollover Fund every six months and once your superannuation is transferred your Quadrant membership will cease.

The Eligible Rollover Fund that Quadrant uses is AUSFund. Your account in AUSFund will continue to accumulate interest and you may access your benefit subject to the usual preservation rules. Under the rules of AUSFund, fees will not exceed any interest credited. No insurance cover is provided in AUSFund. AUSFund's contact details are: PO Box 2468, Kent Town SA 5071; phone 1300 361 798.

# Summary of Financial Statements

## Statement of Net Assets as at 30 June 2008

	2008 (\$)	2007 (\$)
<b>Assets</b>		
<b>Cash and cash equivalents</b>		
Cash	5,821,799	22,811,859
<b>Other receivables</b>		
Contributions receivable	219,020	198,338
Interest income receivable	59,563	213,404
Distributions receivable	13,724,050	24,168,404
Group life claims receivable	-	166,759
Prepayments	35,314	33,080
GST receivable	79,867	82,867
<b>Investments</b>		
Unit trusts	401,769,933	353,003,314
Life policies	30,745,876	75,140,292
Other investments	618,766	727,282
<b>Other assets</b>		
Plant and equipment	635,496	164,011
Deferred tax asset	4,112,829	7,107
<b>Total Assets</b>	<b>457,822,513</b>	<b>476,716,717</b>
<b>Liabilities</b>		
<b>Other payables</b>		
Benefits payable	350,480	417,978
Group life insurance proceeds payable to members	-	231,939
Group life premium payable	-	8,328
Accounts payable	465,954	416,184
Contributions received and not yet accepted	-	622,469
GST payable	-	195
<b>Tax liabilities</b>		
Current tax liabilities	3,280,435	4,345,370
Deferred tax liabilities	36,718	4,912,953
PAYG payable	23,867	23,256
<b>Total Liabilities</b>	<b>4,157,454</b>	<b>10,978,672</b>
<b>Net assets available to pay benefits at the end of the year</b>	<b>453,665,058</b>	<b>465,738,045</b>

Note: Numbers may not add due to rounding.

## Statement of changes in Net Assets year ended 30 June 2008

	2008 (\$)	2007 (\$)
<b>Investment revenue</b>		
Interest	404,244	590,088
Trust distributions	33,806,085	44,842,735
Changes in the net market value of investments	(71,688,087)	20,233,017
	(37,477,758)	65,665,840
<b>Contribution revenue</b>		
Employer contributions	27,523,231	23,897,396
Member contributions	10,257,582	12,627,722
Roll-ins from other funds	11,602,385	8,922,397
Successor fund transfer – City of Launceston Employees Super Fund	-	42,180,020
	49,383,198	87,627,535
<b>Other revenue</b>		
Group life insurance proceeds	588,899	593,644
Other	55,460	57,652
<b>Total revenue</b>	<b>12,549,799</b>	<b>153,944,671</b>
<b>Benefits paid</b>	<b>(21,000,550)</b>	<b>(13,236,838)</b>
<b>Investment expenses</b>		
Master Custodian and Investment Manager fees	(442,403)	(460,505)
<b>Group Life and Income Protection Premiums</b>	<b>(1,321,677)</b>	<b>(1,272,433)</b>
<b>General Administration Expenses</b>		
Administrator fees	(3,661,730)	(3,112,858)
APRA fees	(71,295)	(120,203)
Auditor's remuneration	(111,547)	(59,553)
Depreciation	(119,406)	(47,206)
IT expenses	(26,087)	(19,711)
Other external service provider fees	(144,032)	(123,790)
Other expenses	(46,734)	(50,372)
Trustee remuneration	(251,558)	(251,790)
Superannuation contribution surcharge	(4,897)	(41,832)
Successor fund transfer expenses	-	(99,033)
<b>Total expenses</b>	<b>(27,201,915)</b>	<b>(18,896,134)</b>
<b>Change in net assets before income tax</b>	<b>(14,652,116)</b>	<b>135,048,537</b>
<b>Income tax (expense)/benefit</b>	<b>2,579,128</b>	<b>(8,095,803)</b>
<b>Change in net assets after income tax</b>	<b>(12,072,988)</b>	<b>126,952,734</b>
<b>Net assets available to pay benefits at the beginning of the year</b>	<b>465,738,045</b>	<b>338,785,311</b>
<b>Net assets available to pay benefits at the end of the year</b>	<b>453,665,058</b>	<b>465,738,045</b>

