

Consultative Committee Circular – 4/2006



To Consultative Committee Members
From Ann Byrne, CEO
Date 4 September 2006
Subject Update on New UniSuper Board Member and Investment Performance 30 June 2006

Dear Consultative Committee Members,

New UniSuper Board Member

In mid June, Elana Rubin tendered her resignation to the UniSuper Board due to her other work commitments. Elana has been on the UniSuper Board since inception in 2000 and previous to that was a member of the TESS Board. Elana represented the National Unions category who represent a significant number of members of the scheme.

The Board has thanked Elana for the value that she added to both the UniSuper and TESS Boards.

As a result I am pleased to inform you that the new Board member is David Carey, Federal Secretary of the SPSF Branch of the CPSU.

Investment Performance

I am also pleased to inform you of the performance of the various investment options and the Defined Benefit Fund for the year ended 30 June 2006. In a commitment to the long term the Investment Staff have provided data on two, three, five and seven year performance figures.

One Year Return (%)

Period to 30 June 2006	Option (ATAF)	Benchmark (ATAF)	Out/Under Performance vs Benchmark	Mercer Median (ATAF)	Out/Under Performance vs Median	SuperRatings Median (ATAF)	Out/Under Performance vs SuperRatings Median
Cash	5.5	4.9	0.6	4.9	0.6	4.8	0.7
Capital Stable	7.8	7.2	0.6	8.3	-0.5	8.0	-0.2
Conservative Balanced	11.2	10.3	0.9	12.0	-0.8	11.1	0.1
Balanced	14.5	13.7	0.8	15.7	-1.2	14.2	0.3
Growth	17.4	16.5	0.9	17.6	-0.2	17.0	0.4
Defined Benefit Division	17.0	15.9	1.1	16.9	0.1	n.a.	n.a.
Shares	21.1	19.6	1.5	20.6	0.5	n.a.	n.a.
SRI Shares	21.2	19.6	1.6	20.6	0.6	n.a.	n.a.

Two Year Returns (% per annum)

Period to 30 June 2006	Option (ATAF)	Benchmark (ATAF)	Out/Under Performance vs Benchmark	Mercer Median (ATAF)	Out/Under Performance vs Median	SuperRatings Median (ATAF)	Out/Under Performance vs SuperRatings Median
Cash	5.3	4.8	0.5	4.8	0.5	n.a.	n.a.
Capital Stable	8.7	8.2	0.6	8.5	0.2	n.a.	n.a.
Conservative Balanced	11.5	10.6	0.8	11.5	0.0	n.a.	n.a.
Balanced	14.8	13.5	1.3	14.4	0.4	n.a.	n.a.
Growth	17.4	15.7	1.7	15.5	1.9	n.a.	n.a.
Defined Benefit Division	17.6	15.4	2.1	15.3	2.3	n.a.	n.a.
Shares	18.9	17.3	1.5	18.4	0.5	n.a.	n.a.
SRI Shares	18.3	17.3	1.0	18.4	-0.1	n.a.	n.a.

Three Year Returns (% per annum)

Period to 30 June 2006	Option (ATAF)	Benchmark (ATAF)	Out/Under Performance vs Benchmark	Mercer Median (ATAF)	Out/Under Performance vs Median	SuperRatings Median (ATAF)	Out/Under Performance vs SuperRatings Median
Cash	5.1	4.7	0.4	4.8	0.3	4.6	0.5
Capital Stable	8.3	7.7	0.6	8.2	0.1	8.0	0.3
Conservative Balanced	11.4	10.5	0.9	11.2	0.2	10.8	0.6
Balanced	14.6	13.5	1.1	14.2	0.4	13.5	1.1
Growth	17.1	15.9	1.3	15.6	1.5	15.5	1.6
Defined Benefit Division	17.5	15.7	1.8	15.5	2.0	n.a.	n.a.
Shares	19.5	17.8	1.7	18.4	1.1	n.a.	n.a.
SRI Shares	18.1	17.8	0.2	18.4	-0.3	n.a.	n.a.

Five Year Returns (% per annum)

Period to 30 June 2006	Option (ATAF)	Benchmark (ATAF)	Out/Under Performance vs Benchmark	Mercer Median (ATAF)	Out/Under Performance vs Median	SuperRatings Median (ATAF)	Out/Under Performance vs SuperRatings Median
Cash	4.8	4.5	0.3	4.5	0.3	4.3	0.5
Conservative Balanced	7.0	6.4	0.6	6.5	0.5	6.6	0.4
Balanced	8.1	7.4	0.7	7.3	0.8	7.1	1.0
Defined Benefit Division	8.8	7.4	1.4	7.5	1.3	n.a.	n.a.
Growth	8.5	7.5	1.0	7.5	1.0	7.5	1.0
Shares	7.6	6.8	0.8	6.8	0.8	n.a.	n.a.

Seven Year Returns (% per annum)

Period to 30 June 2006	Option (ATAF)	Benchmark (ATAF)	Out/Under Performance vs Benchmark	Mercer Median (ATAF)	Out/Under Performance vs Median	SuperRatings Median (ATAF)	Out/Under Performance vs SuperRatings Median
Cash	4.8	4.6	0.2	n.a.	n.a.	n.a.	n.a.
Conservative Balanced	7.3	6.9	0.4	6.9	0.5	n.a.	n.a.
Balanced	8.8	7.7	1.1	7.7	1.1	n.a.	n.a.
Growth	9.3	8.2	1.1	7.6	1.7	n.a.	n.a.
Defined Benefit Division	9.5	8.1	1.5	n.a.	n.a.	n.a.	n.a.
Shares	8.7	7.6	1.0	n.a.	n.a.	n.a.	n.a.

n.a. - not applicable

Footnotes:

- (1) The benchmark for the Defined Benefit Division up till 28/2/2006 is the Growth Option benchmark. The benchmark after is 28/2/2006 is the Balanced Option benchmark.*
- (2) The Survey used in the above table for the Defined Benefit Division is an adjusted Mercer Pooled Fund Survey. The median is a weighted average of the Growth and Balanced sub universe medians based on the number of months in the period the Defined Benefit Division was invested in the Growth and Balanced Options.*

Federal Budget Changes

For interested Committee members the UniSuper Submission to Treasury on - "A Plan to Simplify and Streamline Superannuation" is on the website and can be accessed at http://www.unisuper.com.au/resources/News/bulletin_board_item.cfm?oid=709D64DD-D33B-4F7C-BB5A56AF5CD74063.

Also provided on the website is the link to see other submissions to Treasury on the subject including the Association of Superannuation Funds, our industry body, which can be accessed at <http://www.simplersuper.treasury.gov.au/>.

Academic Staff Representative Election for UniSuper Limited Board

On the 18th August, John Mitchell notified all academic representatives of the upcoming election for the position on the UniSuper Limited Board representing the academic staff.

Dr Diana Olsberg has also informed you that she will not be standing for re-election.

To assist with the nomination process I attach a nomination form to be returned to this office by 5.00pm on Friday 15 September.

Consultative Committee Date

Please ensure that you have the date of the meeting in your diary – Friday 3 November 2006. You will receive the official Notice of Meeting and relevant forms by the end of this week.

I look forward to seeing you in November.



Ann Byrne
Chief Executive Officer



**NOMINATION FOR DIRECTOR TO REPRESENT ACADEMIC STAFF
ON UNISUPER LIMITED BOARD**

Name of Nominee:

.....

Position held at University:

.....

I confirm that the nominee has agreed to being nominated and that they are an employee of one of the shareholder universities and a member of UniSuper Limited.

Signature of Nominator:

.....

Please note nominations close 5.00pm, Friday 15th September 2006.

If there is more than one nominee an election will be held.

Please return form to:

Ms Ann Byrne
Chief Executive Officer
UniSuper Limited

Fax: 03 9691 4199