

Investment report

Market Overview

The gradual recovery of the global economy continued in December. The US economy continues to be driven by the consumer, with consumer confidence and retail sales improving over the month. The US labour market showed signs that the long period of deterioration was ending, with the unemployment rate falling to 10%. However, it is still close to a 26-year high, with expectations that it may rise again throughout 2010 as businesses resist putting on new staff until a concrete economic recovery is underway. The US housing market data continues to be mixed. Existing home sales increased, with home inventory falling to its lowest levels since the start of the crisis in 2006. However inventory levels remain above their long term average. US housing construction is yet to show a sustained recovery, and short term data is expected to remain volatile while above average excess housing supply remains and tight credit supply to developers persists. Inflationary pressures in the US are expected to remain subdued, with the US Federal Reserve maintaining its commitment to “keep exceptionally low levels of the Federal Funds rate for an extended period”.

The Asian region continues to be a significant contributor to the global recovery. Driven by improvement in international trade, but also through the sizable fiscal and monetary stimulus that has supported domestic demand, including China’s stimulus package which is estimated to be 4.5% of GDP. China’s annual CPI index recorded its first positive result in November after nine months of deflation. In response to the strong recovery and desire to achieve sustainable economic growth, in January 2010, China’s central bank raised the proportion of deposits that lenders must set aside as reserves, with the intention of cooling the growth in lending by banks.

European economic data released during December was mixed. The Euro area economy returned to positive growth in the September quarter, with output rising by 0.4% in the region, whereas unemployment rose to a decade-high of 10%. Inflation is likely to remain subdued in the Euro area during 2010. Britain’s GDP for the September quarter was revised upward but still contracted 0.2%, leaving the UK as the last major economy still in recession.

Monthly Performance

SUPER OPTION RETURNS to 31 December 2009

	High Growth (%)	Growth (%)	Balanced (%)	Stable (%)	Cash (%)
Month	3.20	2.56	1.99	1.11	0.23
3 months	2.95	2.62	2.30	1.87	0.63
Financial Year	14.88	11.78	10.17	6.95	1.27
1 Year	19.72	13.76	11.10	9.68	2.71
3 Years (p.a.)	-1.90	-1.24	-0.72	3.05	4.41
5 Years (p.a.)	5.64	5.27	4.91	5.32	4.53
7 Years (p.a.)	8.24	7.34	6.74	6.00	4.66
10 Years (p.a.)	n.a.	5.29	5.24	5.55	n.a.
Since inception (p.a.)	4.85	6.11	8.57	5.70	4.66

	Australian Shares (%)	Overseas Shares (%)	Property (%)	Fixed Interest (%)	Sustainable Future Shares (%)
Month	3.19	3.73	0.75	0.35	2.33
3 Months	2.78	3.25	1.45	2.01	1.81
Financial Year	21.59	10.33	1.71	4.87	17.68
1 Year	31.04	11.33	-5.25	6.78	25.58
3 Years (p.a.)	0.20	-4.42	-0.33	4.40	-1.58
Since inception (p.a.)	8.35	2.82	6.46	3.96	5.58

All returns are net of fees and taxes. The investment returns and capital invested in this Fund are not guaranteed by the Trustee nor any service provider to the Trustee. Past performance is not an indication of future performance. Investment performance data prior to July 1 2008 relates to Print Super’s past investment performance. Media Super was formed by the merger of Print Super and Just Super on 1 July 2008.

Monthly Performance

PENSION OPTION RETURNS to 31 December 2009

	High Growth (%)	Growth (%)	Balanced (%)	Stable (%)	Cash (%)
Month	3.52	2.85	2.24	1.27	0.27
3 months	3.23	2.91	2.58	2.15	0.74
Financial Year	16.44	13.15	11.48	8.02	1.50
1 Year	19.65	13.63	11.14	10.49	3.20
3 Years (p.a.)	-3.63	-2.60	-1.81	3.04	5.22
5 Years (p.a.)	5.39	5.21	4.98	5.84	5.38
7 Years (p.a.)	8.12	7.40	6.89	6.43	5.35
Since inception (p.a.)	4.60	4.81	4.87	5.59	5.35

	Australian Shares (%)	Overseas Shares (%)	Property (%)	Fixed Interest (%)	Sustainable Future Shares (%)
Month	3.43	4.30	0.86	0.41	2.50
3 Months	2.97	3.74	1.65	2.36	1.93
Financial Year	23.34	11.94	1.94	5.76	19.09
1 Year	30.49	12.34	-6.84	8.01	24.62
3 Years (p.a.)	-1.42	-5.86	-0.95	5.18	-3.36
Since inception (p.a.)	7.90	3.06	6.94	4.98	4.80

INCEPTION DATES

The following are the dates each investment option became available to members and relate to the “Since inception” figures in the tables above.

Option	Super Options	Pension Options
High Growth	01/07/2000	01/07/2001
Growth	01/07/1998	01/07/2001
Balanced	01/01/1987	01/07/2001
Stable	01/07/1998	01/07/2001
Cash	01/01/2003	01/01/2003
Australian Shares	01/04/2005	01/04/2005
Overseas Shares	01/04/2005	01/04/2005
Property	01/04/2005	01/04/2005
Fixed Interest	01/08/2005	01/08/2005
Sustainable Future Shares	01/08/2005	01/08/2005

All returns are net of fees and taxes. The investment returns and capital invested in this Fund are not guaranteed by the Trustee nor any service provider to the Trustee. Past performance is not an indication of future performance. Investment performance data prior to July 1 2008 relates to Print Super’s past investment performance. Media Super was formed by the merger of Print Super and Just Super on 1 July 2008.