PRINT
MEDIA
ENTERTAINMENT
ARTS

Annual Report
2011-12

Low fees | Strong long-term performance | Run only to benefit members

Award Winning Fund

SELECTING SUPER AAA QUALITY
INDEPENDENT RESEARCH CONDUCTED BY RANKMAKER INFORMATION. LIC 1004305

SUPER RATINGS

SUPERRATINGS PLATINUM SUPER 2012

SUPERRATINGS PLATINUM PENSION 2012

5 YEAR PLATINUM PERFORMANCE 2008–2012

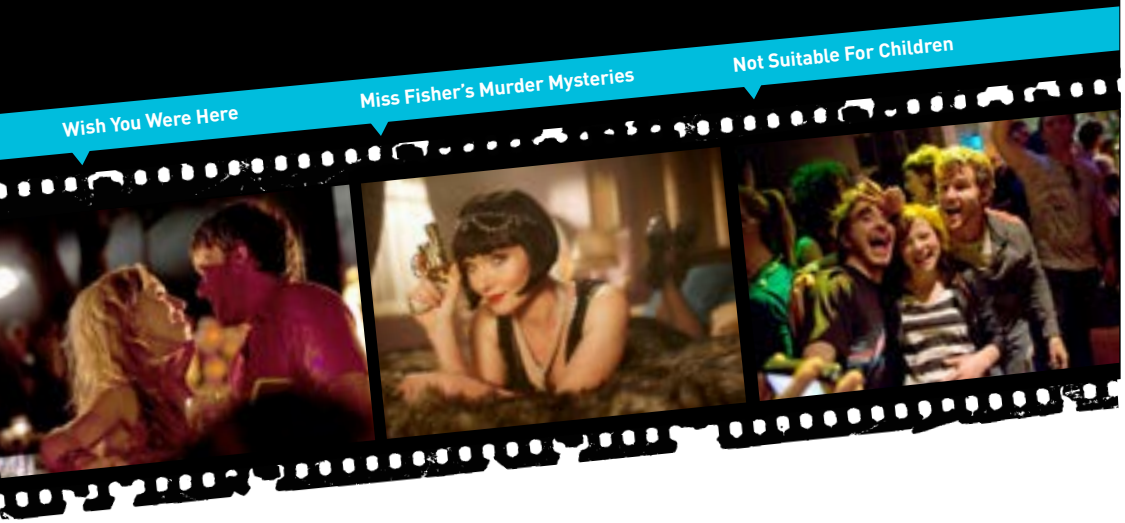
australian super

An Industry SuperFund

Your super's investing in you

You might not realise it, but Media Super invests in a wide range of Australian TV & film productions through our unique partnership with Fulcrum Media Finance.

After all, we are *your* industry super fund.



It pays to join the super fund that invests in you.

For friendly advice from people who understand your industry, phone **1800 640 886** or visit **mediasuper.com.au**

Fulcrum Media Finance

media super

An Industry SuperFund

Learn more about Media Super's investments inside and on our website.

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Disclaimer: This Annual Report 2011-12 issued by Media Super Limited ABN 30 059 502 948, AFSL 230254 as Trustee of Media Super ABN 42 574 421 650, SPIN PIN0100AU contains information of a general nature only. It has been prepared without taking into account your individual objectives, financial situation and particular needs. You should read the Media Super *Member Guide Product Disclosure Statement* before making any decision to invest in Media Super. Media Super has endeavoured to ensure that the information contained in this report is accurate to the best of its knowledge, but cannot guarantee its accuracy or accept any liability for any errors or omissions.

Message from the Chair

> "... averaging well over 7% each year since we were formed in the late 1980s. "

One of the many challenges facing superannuation funds has been the task of shining a spotlight on the investments we make on your behalf.

It may sound easy, but it's taken quite a while to get right.

A few noisy people – including the head of the Australian Securities and Investments Commission, Greg Medcraft – are pushing to raise the bar and agitated among the funds to tell you, our members, how and where we invest your retirement savings.

It's not that the superannuation funds are trying to hide what they are doing, it's mainly the size of the job of listing all the things we're invested in. We have been busy concentrating on a whole warehouse of other reforms facing the superannuation industry in the past 18 months, to make sure we run efficient, low-cost and effective funds.

Investments of $3 billion

Media Super has a very large sum of money invested – verging on $3 billion at the end of the 2011–12 financial year.

Almost all of it is invested in one asset or another on your behalf, with some cash held to ensure we can run the operations of the business efficiently. The largest portion is currently in Australian shares, both the major companies listed on the Australian stock market, and smaller listed companies, where we employ a specialist fund manager to help identify promising opportunities.

We also invest in shares in many foreign markets, and have longer term investments in infrastructure assets including clean energy generators, water treatment plants, airports, pipelines and ports, as well as office blocks and retail centres in capital cities and buildings in industrial parks.

Part of the portfolio of assets includes Commonwealth and State Government bonds, some of which will mature later this year, while others will return a steady four or five per cent on our investment for the next 25 years. We also invest in government bonds offshore, and commercial bonds in top shelf businesses and some less gilt-edged companies which offer reasonable prospects to produce good results, but where the risk is relatively higher. Of course, all investments contain a measure of risk and hence returns cannot be guaranteed.

On your behalf, we also hold cash on solid bank term-deposit rates to help smooth out the Fund's longer term results against the greater unpredictability (but potentially higher performance) of our extensive share portfolio. As you can see, it's quite a diverse portfolio, and of course it changes over time as assets are sold and others purchased.

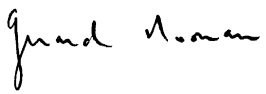
The long term goals

This mixing of various assets, known as asset allocation, is the key to providing a solid, long term result for your account when you reach your retirement in 10 or 20 years – or even 40 years' time. Media Super (including its predecessor funds Print Super and JUST Super) has notched up impressive long term results – averaging well over seven per cent each year – since we were formed in the late 1980s. This performance includes the very difficult past decade when markets have been exceedingly volatile.

Disclosure of investments

You'll notice in this Annual Report a listing of the top ten companies in which we invest and other relevant information about underlying investments held by Media Super, but in a condensed form. Importantly, in early 2013, when you log onto the Fund's website, we plan to provide a far longer list of the investments held by the Fund, which we will update each six months, so you can get some idea of where the overwhelming bulk of your retirement savings are invested.

It's a lot of work to maintain an updated listing, but the Trustee Board of Media Super believes that you have a right to this knowledge and we have a responsibility to provide it.



Gerard Noonan
Chair, Media Super

Your Representative Trustee Directors

The Trustee of Media Super is Media Super Limited. The Board of Media Super Limited includes individuals nominated by the sponsors of Media Super to represent all members and employers.

The Board appoints the Chair. Membership of the Board for the period 1 July 2011 to 30 June 2012 is set out below.

The Board	Title	Appointed (Former Director of Print Super or JUST Super if appointed prior to 1 July 2008)	Nominated by
Member Representatives			
Gerard Noonan (Chair)	Vice President, AIST President, ACSI	1/02/1991 *(former Chair, JUST Super)*	MEAA
Lorraine Cassin	Federal Secretary, AMWU Printing Division	15/10/2009	AMWU Printing Division
Katrina Ford	National Industrial Officer, AMWU Printing Division	20/08/2002	AMWU Printing Division
Stuart Gordon	Representative of AMWU Printing Division in SA	3/03/2006	AMWU Printing Division
Chris Warren	Federal Secretary, Media Entertainment and Arts Alliance	6/06/1986	MEAA
Employer Representatives			
Philip Andersen	Retired. Former CEO, PIAA	19/02/1997	PIAA
Dale Bridle	Group Treasurer, Fairfax Media Limited	21/02/2008	Fairfax Media
Geoffrey Brown	Executive Director, Screen Producers Association of Australia	1/07/2010 *(former Director, JUST Super 26/9/02-30/7/08)*	SPAA
Alan Douglas	Retired. Former Internal Auditor, PMP Limited	4/06/2006	PIAA
Peter Halters	Director, McPherson Binding Pty Ltd	19/10/2000	PIAA
Independent Director			
Reginald Emons	Retired. Former Company Secretary, PMP Limited	1/01/1998 *(retired 31/12/11)*	N/A – independent director appointed by the Board

Directors' attendance at Board and Committee meetings

The number of meetings held in the period and the number of meetings attended by each Director is set out below. Five board meetings were held during the year.

In addition, Directors have responsibility for attending nominated committee meetings. Individual membership of a committee is denoted through applicable attendance.

	Board Meeting Attendance	Investment Committee Member	Audit, Budget & Compliance Committee Member	Benefits & Insurance Claims Committee Member	Remuneration Committee Member
Gerard Noonan (Chair)	5/5	6/6	4/5	13/13	Chair 1/1
Lorraine Cassin	3/5	6/6	n/a	n/a	n/a
Katrina Ford	5/5	n/a	3/5	9/13	n/a
Stuart Gordon	5/5	n/a	n/a	(Chair) 11/13	n/a
Chris Warren	5/5	5/6	n/a	n/a	n/a
Philip Andersen	5/5	(Chair) 6/6	n/a	n/a	1/1
Dale Bridle	5/5	6/6	n/a	n/a	n/a
Geoffrey Brown	4/5	5/6	n/a	n/a	n/a
Alan Douglas	3/5	n/a	3/5	n/a	n/a
Peter Halters	5/5	n/a	(Chair) 4/5	n/a	n/a
Reginald Emons	3/3	n/a	n/a	n/a	1/1

KEY:

ACSI: Australian Council of Superannuation Investors
AIST: Australian Institute of Superannuation Trustees
AMWU Printing Division: Australian Manufacturing Workers Union Printing Division
MEAA: Media Entertainment and Arts Alliance
PIAA: Printing Industries Association of Australia
SPAA: Screen Producers Association of Australia

Director remuneration

The Directors of Media Super are remunerated for the work they do as Directors, although in some cases the payment is made to the nominating sponsoring organisation in compensation for time and costs associated with the involvement by the Director in the management of the Fund. Directors receive a base rate of $25,000 per year ($35,000 for the Chair) and an additional fee per Board or committee meeting attended. Remuneration also includes a component for Director training of up to 30 hours per year.

In addition, Media Super sponsors awards conducted by the sponsoring organisations. Details of Media Super's sponsorships are provided on page 30.

	Remuneration*	Paid to
Gerard Noonan (Chair)	$50,900	Director/International Federation of Journalists Safety Fund
Lorraine Cassin	$31,750	AMWU
Katrina Ford	$33,700	AMWU
Stuart Gordon	$32,050	AMWU
Chris Warren	$32,500	MEAA
Philip Andersen	$35,125	Director
Dale Bridle	$33,250	Director
Geoffrey Brown	$31,750	Director
Alan Douglas	$29,500	Director
Peter Halters	$32,500	Director
Reginald Emons	$35,188	Director

*Accrued entitlements for the 2011-12 financial year, including tax and superannuation guarantee. Actuals may differ due to timing of payments.

Executive salaries

The Total Remuneration Packages* effective 30 June 2012 of Executives employed by Media Super are as follows:

Position	Remuneration*
Chief Executive Officer	$290,000
Chief Investment Officer	$220,000**
General Manager, Finance and Compliance	$214,000
General Manager, Client Relations	$176,000
General Manager, Operations	$156,000

*Total Remuneration Package includes salary, superannuation, motor vehicle lease or allowance selected at the discretion of the executive.

**The Chief Investment Officer receives this package for working 4 days per week.

What's new in super

The superannuation industry is currently undergoing a period of significant reform.

Increase to 12% in Superannuation Guarantee

Legislation was passed in March to phase in an increase in Superannuation Guarantee (SG) contributions from the current 9% to 12% by July 2019 (see table at right). This is a major reform to Australia's retirement incomes system that will lift national savings and improve security in retirement for current and future workers.

Year commencing	Super Guarantee rate
1 July 2013	9.25%
1 July 2014	9.5%
1 July 2015	10%
1 July 2016	10.5%
1 July 2017	11%
1 July 2018	11.5%
1 July 2019	12%

New Government super payment for low-income earners

To help low-income earners build their super, the Government has introduced a Low Income Super Contribution (LISC) of up to $500 per financial year to workers whose annual adjusted taxable income does not exceed $37,000.

The LISC applies from the 2012-13 financial year. If you are eligible for LISC, the ATO will make the payment directly into your superannuation account. To be eligible, you must have supplied Media Super with your Tax File Number (TFN).

Supplying your TFN

You are not legally compelled to provide your TFN to us. However, if you choose not to do so, your concessional (pre-tax) super contributions will be taxed at 45% (plus the Medicare levy as applicable) and we won't be able to accept any non-concessional contributions to your account.

Providing us with your TFN is easy. Phone **1800 640 886**, log into to your online account.

Stronger Super

The Government has introduced a suite of reforms aimed at making our superannuation system stronger and more efficient. The legislation includes the following measures:

MySuper

From 1 July 2013 funds will be able to offer a simple, low-cost default superannuation product (called a MySuper product) designed to improve net returns to members through a reduction in overall costs.

Media Super will apply to the Australian Prudential Regulation Authority (APRA) for the authorisation to offer a MySuper product to our members. Work has already commenced on preparing the application. Media Super intends to use the current default Balanced option as its MySuper product, as it already contains most of the features required.

Media Super will communicate with members and employers about the new offering in 2013.

SuperStream

Introduced in 2011, SuperStream is a package of reforms designed to improve the 'back office' of superannuation. The package includes measures to facilitate the consolidation of super accounts and improve data and e-commerce standards for all superannuation transactions.

Media Super and our administrator (Mercer) have commenced work to ensure that our systems comply with these standards.

Concessional contribution caps for over-50s set at $25,000 p.a.

If you are aged over 50, you are now only able to make up to $25,000 worth of pre-tax contributions to your super account in a financial year (previously $50,000). This includes your SG contributions and any extra that you are salary sacrificing. The $25,000 limit applies regardless of age.

Changes to Eligible Rollover Fund (ERF) Policy

Like many superannuation funds, Media Super has an ERF Policy to deal with low-balance, lost or inactive accounts.

Effective from 1 December 2012, the following amendments to Media Super's ERF Policy will be introduced.

The Trustee will transfer your superannuation benefits to Media Super's Eligible Rollover Fund, AUSfund if:

1. Your account balance is less than $1,000, and

i. We have not received contributions for 12 months, and

ii. Media Super has been unsuccessful in delivering two or more communications to you, resulting in you becoming a lost member; or

2. Your account balance is less than $100, and

i. You have been a member of Media Super for a period greater than 12 months, and

ii. We have not received contributions for a period of at least 12 months.

If your account is transferred in this way, it will protect the account from erosion by fee deductions. However, once it has been transferred, you will cease to be a member of Media Super and any insurance cover you had with our Fund will cease to apply.

Contact AUSfund by:

phoning: **1300 361 798**
visiting: **www.unclaimedsuper.com.au**
writing: **AUSfund**
PO Box 2468
Kent Town SA 5071

More information on Media Super's ERF Policy can be found in the *Additional Information Booklet*, part of the Fund's *Member Guide Product Disclosure Statement* available at **mediasuper.com.au**. Members can search for lost or unclaimed superannuation at **combineyoursuper.com.au**

Investment performance and your account

Investment earnings are calculated monthly for each investment option, based on the returns achieved by the underlying investments of the particular option.

Your account is adjusted on 30 June each year, based on the accumulated monthly performance of each option after deducting tax and fees.

Your individual rate of return depends on factors including fees and costs, timing of transactions, any switches you have made, and the actual mix of options that make up your account. Please refer to your statement for earnings applicable to your account.

Allocating earnings

Investment options operate using a unitised system, which means the total value of your investment in Media Super is determined by multiplying the number of units you have in each of the investment options by the latest published sell price of each unit in the particular investment option.

Unit prices for each of the Media Super investment options are updated on a weekly basis. You can access updated prices at **mediasuper.com.au** or by phoning **1800 640 886**.

Investment returns for the financial year ending 30 June 2012

Option	1 year	3 year	5 year	7 year	10 year	Since inception	Option commenced
Super Members (net %p.a.)							
Balanced	-0.44	5.08	-0.67	3.56	4.93	7.95	1/01/1987
High Growth	-4.05	4.11	-3.19	2.93	4.78	3.64	1/07/2000
Growth	-2.11	4.44	-1.77	3.33	4.82	5.13	1/07/1998
Stable	2.96	5.65	2.99	4.70	5.30	5.39	1/07/1998
Australian Shares	-6.31	4.62	-3.01	n.a.	n.a.	4.53	1/04/2005
International Shares	-2.11	3.71	-3.20	n.a.	n.a.	1.99	1/04/2005
Sustainable Future Shares	-5.36	3.59	-3.67	n.a.	n.a.	2.67	1/08/2005
Property	7.29	8.22	2.71	n.a.	n.a.	7.40	1/04/2005
Fixed Interest	8.10	7.21	5.81	n.a.	n.a.	4.93	1/08/2005
Cash	4.04	3.77	4.10	4.33	n.a.	4.49	1/01/2003
Pension Members (% p.a.)							
Balanced	-0.51	5.74	-1.29	3.54	5.10	4.30	1/07/2001
High Growth	-4.56	4.49	-4.35	2.53	4.67	3.35	1/07/2001
Growth	-2.50	4.92	-2.65	3.13	4.88	3.89	1/07/2001
Stable	3.41	6.52	3.18	5.05	5.75	5.36	1/07/2001
Australian Shares	-6.89	4.91	-4.17	n.a.	n.a.	4.15	1/04/2005
International Shares	-2.40	4.29	-4.14	n.a.	n.a.	2.18	1/04/2005
Sustainable Future Shares	-5.94	3.78	-4.96	n.a.	n.a.	2.10	1/08/2005
Property	8.37	9.47	2.78	n.a.	n.a.	8.20	1/04/2005
Fixed Interest	9.58	8.52	6.86	n.a.	n.a.	6.01	1/08/2005
Cash	4.76	4.45	4.84	5.00	n.a.	5.19	1/01/2003

* Historical returns before 1 July 2008 are based on former Print Super investment returns.
Investment returns are not guaranteed and past performance gives no indication of future performance.

The year in review

Investment market volatility has continued over the last financial year, and although it is acknowledged that volatility alone is an inadequate measure of risk, it can be a potent contributor to investor discomfort.

Media Super diversifies its main pre-mixed investment options (Balanced, Stable, Growth and High Growth options) to reduce that volatility, while seeking to maximise the overall performance of all Fund portfolios.

The Balanced option, in which the majority of our members invest, returned a disappointing -0.44% for the financial year ending 30 June 2012. We worked hard to keep the Balanced option in the black this year, but we fell short.

But to keep this in context: last year, the Balanced option earned a positive 7.78%, and the year before that, a very solid 8.12%. Over the past decade, the Balanced option has earned more than 13% in each of four separate years, and in one tough year (2008-09) at the height of the global financial crisis, lost 10.9%. That's what we mean by a roller-coaster ride!

Diversified portfolio

Over the past year the Australian equity market performed poorly at -7%, with the smaller stocks under-performing even this. Given that over 25% of the Balanced option is invested in the Australian stock market, this overall negative return wasn't unexpected. International equities performed better than their domestic counterparts, but still posted a loss. In the other direction, fixed interest markets performed well for another year, generally delivering returns above 10%. Core investments in infrastructure and direct property also performed well.

As an example of market volatility in action, one of Media Super's infrastructure managers has delivered a respectable return close to 9% per annum over four years, and yet the return in the recent period has been close to zero. Such is the way that returns compound over time for the patient investor – short-term poor results can coexist with long-term good results.

International markets

The global investment environment remains uncertain; the primary cause is attributable to political and economic considerations in Europe and the US. Members will have seen this reflected in various headlines that, in the same month of June 2012, described markets as soaring or plummeting depending on whether there was a perception that Europe had or hadn't solved its problems. This is a time to concentrate on the investment fundamentals and, where possible and sensible, avoid distractions that may be short-term and therefore cloud good judgment.

Investment process

The Media Super Investment Committee met regularly throughout the year to discuss market developments and portfolio performance, and to review strategies and manager selection. In this task, the Investment Committee was assisted by the Trustee's internal investment team and advice from the Trustee's external consultants. Media Super outsources its underlying investments to over 40 investment managers.

In the management of this configuration of external managers, the Fund continuously seeks new and better ways to invest members' capital in order to control risk, minimise volatility and meet our investment targets.

Media Super is a signatory to the United Nations Principles for Responsible Investment (UNPRI). This UNPRI commitment provides a comprehensive structure for the Fund in its overall efforts to support sustainability in investing and deepen its capability for identifying and incorporating environmental, social and governance factors that can materially impact the risk and return profile of our overall investment portfolios.

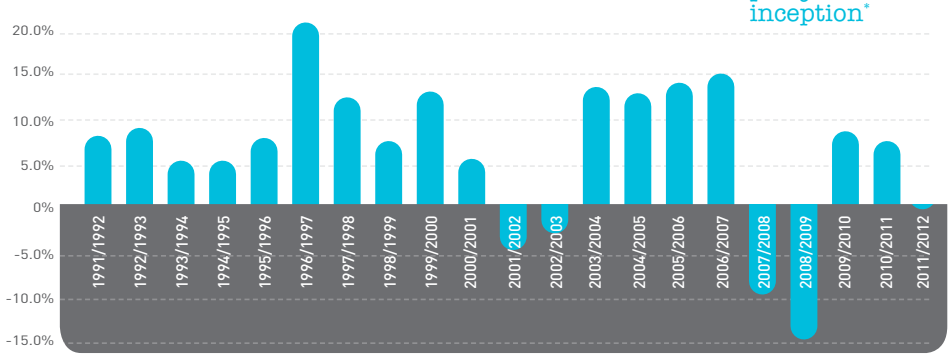
In summary, returns have disappointed, as a result of negative returns from equity markets which make up the bulk of the Balanced option's portfolio. Markets are likely to challenge again this year but, as Media Super takes steps to build further portfolio improvements, we remain optimistic about our various portfolios' ability to perform.

Dr Jon Glass
Chief Investment Officer, Media Super

Strong long-term investment performance

Balanced option – super

8.0% per year since inception*

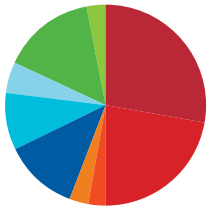


*Based on returns of Balanced investment option from 1 July 1987 to 30 June 2012, after fees and taxes. Historical returns before 1 July 2008 are based on former Print Super investment returns. Investment returns are not guaranteed and past performance gives no indication of future returns.

How is your super invested?

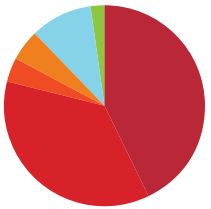
Your Default option (if you do not choose an investment option)

Balanced

Intended to be suitable for	Investment strategy	Target return objective	Risk/return profile	Strategic asset allocation	Actual sector allocation and long-term range as at 30 June 2012
Investors who have a 5-10 years-plus investment time horizon, and who are seeking to achieve moderate returns over the long term by investing across a broad range of asset types, with higher exposure to growth assets.	Balanced offers a significant exposure to growth assets (69%), including Australian and overseas shares, property and alternative assets (illiquid assets). The 31% allocation to defensive assets includes Australian and overseas fixed-interest securities, alternative assets, hedged funds and cash.	Over rolling five-year periods, having a 75% probability of achieving a member investment return equivalent to CPI + 3.5% p.a.	**Medium to high** – The estimated chance that negative returns will occur in any financial year is less than one in eight.	69% growth 31% defensive	 28% **Australian Shares** *18-38%* 22% **Overseas Shares** *12-32%* 3% **Australian Private Equity** *0-6%* 3% **International Private Equity** *0-6%* 12% **Infrastructure** *2-22%* 9% **Direct Property** *4-18%* 5% **Alpha Opportunities** *0-10%* 15% **Diversified Fixed Interest** *5-25%* 3% **Cash** *0-15%*

Pre-mixed options

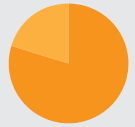
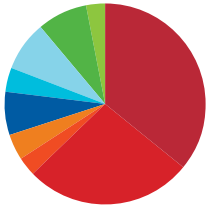
High Growth

Intended to be suitable for	Investment strategy	Target return objective	Risk/return profile	Strategic asset allocation	Actual sector allocation and long-term range as at 30 June 2012
Investors who have a 15 years-plus investment time horizon and are prepared to accept very high volatility to pursue potentially greater long-term returns by investing predominantly in growth assets.	High Growth provides a high growth-oriented investment strategy, with 93% invested in growth assets such as shares, and 7% invested in defensive assets.	Over rolling five-year periods, having a 65% probability of achieving a member investment return equivalent to CPI + 5% p.a	**Very high –** The estimated chance that negative returns will occur in any financial year is less than one in six.	93% growth 7% defensive	 43% **Australian Shares** *33-53%* 36% **Overseas Shares** *26-46%* 4% **Australian Private Equity** *0-8%* 5% **International Private Equity** *0-10%* 10% **Alpha Opportunities** *0-20%* 2% **Cash** *0-10%*

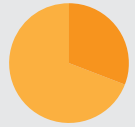
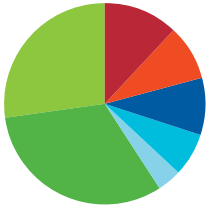
Note: Infrastructure, Direct Property and Alpha Opportunities investments include 50% each of Growth assets and Defensive assets.

Pre-mixed options cont...

Growth

Intended to be suitable for	Investment strategy	Target return objective	Risk/return profile	Strategic asset allocation	Actual sector allocation and long-term range as at 30 June 2012
Investors who have a 10 years-plus investment time horizon, and who are prepared to accept high volatility to pursue potentially greater long-term returns, with a substantially higher exposure to growth assets.	Growth provides a growth-oriented investment mix, with an 79.5% allocation to growth assets.	Over rolling five-year periods, having a 65% probability of achieving a member investment return equivalent to CPI + 4.5% p.a.	**High** – The estimated chance that negative returns will occur in any financial year is less than one in seven.	 79.5% growth 20.5% defensive	 36% **Australian Shares** *26-46%* 27% **Overseas Shares** *17-37%* 3% **Australian Private Equity** *0-6%* 4% **International Private Equity** *0-8%* 7% **Infrastructure** *0-14%* 4% **Direct Property** *0-8%* 8% **Alpha Opportunities** *0-16%* 8% **Diversified Fixed Interest** *0-16%* 3% **Cash** *0-15%*

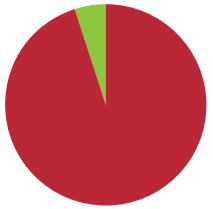
Stable

Intended to be suitable for	Investment strategy	Target return objective	Risk/return profile	Strategic asset allocation	Actual sector allocation and long-term range as at 30 June 2012
Investors who have an investment time horizon of under 5 years, and who are prepared to accept lower returns in exchange for experiencing a lower level of volatility, achieved by investing mainly in defensive assets with some exposure to growth assets.	Stable aims to provide relatively steady returns, through a 69% allocation to defensive assets.	Over rolling five-year periods, having a 80% probability of achieving a member investment return equivalent to CPI + 2.5% p.a.	**Medium** – The estimated chance that negative returns will occur in any financial year is less than one in 20.	 31% growth 69% defensive	 12% **Australian Shares** *6-18%* 9% **Overseas Shares** *4-17%* 9% **Infrastructure** *4-14%* 7% **Direct Property** *0-14%* 4% **Alpha Opportunities** *0-8%* 32% **Diversified Fixed Interest** *22-42%* 27% **Cash** *20-45%*

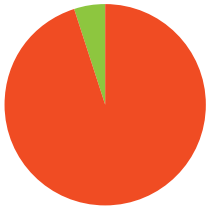
Note: Infrastructure, Direct Property and Alpha Opportunities investments include 50% each of Growth assets and Defensive assets.

Single asset class options

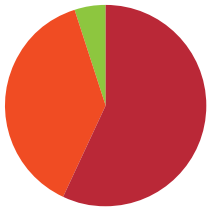
Australian Shares

Intended to be suitable for	Investment strategy	Target return objective	Risk/return profile	Strategic asset allocation	Actual sector allocation and long-term range as at 30 June 2012
Investors seeking higher returns over the very long term (minimum 15+ years), through exposure to the Australian share market.	The Australian Shares sector option provides a high growth-oriented investment strategy predominantly invested in Australian shares	Over rolling five-year periods, having a 60% probability of achieving a member investment return equivalent to CPI + 5% p.a.	**Very high risk** - The estimated chance that negative returns will occur in any financial year is less than one in four.	95% growth 5% defensive	 95% **Australian Shares** *85-99%* 5% **Cash** *1-15%*

Overseas Shares

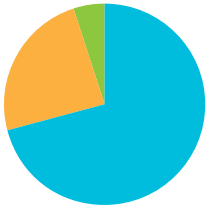
Intended to be suitable for	Investment strategy	Target return objective	Risk/return profile	Strategic asset allocation	Actual sector allocation and long-term range as at 30 June 2012
Investors seeking higher returns over the very long term (minimum 15+ years), through exposure to the global share market.	The Overseas Shares sector option provides a high growth-oriented investment strategy predominantly invested in overseas shares.	Over rolling five-year periods, having a 55% probability of achieving a member investment return equivalent to CPI + 5% p.a.	**Very high risk** - The estimated chance that negative returns will occur in any financial year is less than one in four.	95% growth 5% defensive	 95% **Overseas Shares** *85-99%* 5% **Cash** *1-15%*

Sustainable Future Shares

Intended to be suitable for	Investment strategy	Target return objective	Risk/return profile	Strategic asset allocation	Actual sector allocation and long-term range as at 30 June 2012
Investors seeking higher returns over the very long term (minimum 15+ years), through exposure to Socially Responsible Australian and overseas shares.	The Sustainable Future Shares sector option provides a high growth-oriented investment strategy predominantly invested in Socially Responsible Australian and overseas shares	Over rolling five-year periods, having a 60% probability of achieving a member investment return equivalent to CPI + 5% p.a.	**Very high risk** - The estimated chance that negative returns will occur in any financial year is less than one in four.	95% growth 5% defensive	 57% **Australian Shares** *85-99%* 38% **Overseas Shares** *85-99%* 5% **Cash** *1-15%*

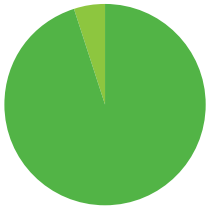
Single asset class options cont...

Property

Intended to be suitable for	Investment strategy	Target return objective	Risk/return profile	Strategic asset allocation	Actual sector allocation and long-term range as at 30 June 2012
Investors seeking moderate investment returns over the long term (minimum 10+ years), through exposure to property and property-related securities	The Property sector option provides a growth-oriented investment strategy predominantly invested in property.	Over rolling five-year periods, having a 60% probability of achieving a member investment return equivalent to CPI + 3.5% p.a	**Medium to high risk** - The estimated chance that negative returns will occur in any financial year is less than one in six.	59.5% growth 40.5% defensive	 71% **Direct Property** *0-95%* 24% **Real Estate Investment Trusts/ Listed Property** *0-99%* 5% **Cash** *1-15%*

Note: Direct Property investments include 50% each of Growth assets and Defensive assets.

Fixed Interest

Intended to be suitable for	Investment strategy	Target return objective	Risk/return profile	Strategic asset allocation	Actual sector allocation and long-term range as at 30 June 2012
Investors seeking an income-based return above inflation and cash over the short to medium term (under 5 years), through exposure to Australian and global fixed interest markets	The Fixed Interest sector option provides a conservative investment strategy predominantly invested in fixed interest.	Over rolling five-year periods, having a 65% probability of achieving a member investment return equivalent to CPI + 2% p.a.	**Low to medium risk** - The estimated chance that negative returns will occur in any financial year is less than one in 20.	100% defensive	 95% **Diversified Fixed Interest** *85-99%* 5% **Cash** *1-15%*

Cash

Intended to be suitable for	Investment strategy	Target return objective	Risk/return profile	Strategic asset allocation	Actual sector allocation and long-term range as at 30 June 2012
Investors seeking stable returns over the short term (under 1 year), through a 100% investment in cash.	The Cash sector option aims at providing capital preservation and secure investment returns through a 100% investment in cash.	Over rolling five-year periods, having a 90% probability of achieving a member investment return equivalent to CPI + 1% p.a.	**Low risk** - The estimated chance that negative returns will occur in any financial year is negligible	100% defensive	100% **Cash** *100%*

Investment policy

Media Super's investments are managed with a view to ensuring that the Fund will have sufficient liquidity to meet expected cash flow requirements.

The higher returns expected on shares and property assets will be sought by orienting investments towards these assets. Investment risk will be limited by appropriate diversification, both within and between asset classes.

A depressed investment environment may lead to a negative return on investments in any particular year. This could result in the value of members' accounts falling in any particular year.

The Trustee does not invest directly in derivatives, and does not intend to do so. However, the Trustee does permit investment managers to use futures, options and other derivative instruments to assist with the effective management of the Fund's assets, provided that these instruments are not used to gear the portfolio. The Trustee expects that, over the long term, the use of these instruments will enhance the returns of the Fund's assets. Over shorter periods, the effect on investment returns is expected to vary from year to year.

The Fund's interest in any externally managed pooled fund shall not exceed 10% of the assets of that pool, unless a larger investment is specifically authorised by the Trustee.

No more than 20% of the Fund's assets will be managed by any one external fund manager, unless specifically authorised by the Trustee.

Who manages your money?

Fund Manager	Market value of invested funds $A	% of total funds under management
Australian Shares		
Industry Funds Management	182,917,883	6.2
Maple-Brown Abbott Limited	197,152,782	6.7
Perpetual Investment Management Limited	130,538,725	4.5
Schroder Investment Management Australia Limited	187,082,433	6.4
Solaris Investment Management Limited	172,955,639	5.9
	870,647,463	**29.7**
Overseas Shares		
MFS Investment Management	114,007,925	3.9
Calamos Investments LLC	49,954,198	1.7
Generation Investment Management LLP	110,027,401	3.8
Lazard Asset Management Pacific Co.	100,517,465	3.4
Platinum Asset Management	108,189,444	3.7
State Street Global Advisors Australia Limited	126,155,309	4.3
	608,851,743	**20.8**
Sustainable Future Shares		
State Street Global Advisors Australia Limited	12,626,468	0.4
	12,626,468	**0.4**
Direct Property		
AMP Capital Investors	119,323,948	4.1
Charter Hall Group	27,227,995	0.9
Colonial First State Global Asset Management	28,501,088	1.0
Fortius Funds Management, Investment Manager	9,727,107	0.3
Franklin Templeton Institutional	2,863,007	0.1
ISPT Pty Ltd	63,902,939	2.2
The GPT Group	9,284,876	0.3
	260,830,960	**8.9**
Real Estate Investment Trusts		
Vanguard Investments Australia	9,173,265	0.3
	9,173,265	**0.3**
Diversified Fixed Interest		
Bentham Asset Management	67,711,174	2.3
BlackRock Asset Management Australia Limited	241,986,084	8.3
Hastings Funds Management Limited	38,215,513	1.3
Members Equity Portfolio Management	10,747,828	0.4
	358,660,599	**12.2**
Alpha Opportunities		
Aurora Funds Management Limited	53,607,478	1.8
BT Financial Group	2,643,682	0.1
Fulcrum Media Finance 2 Pty Ltd	12,205,639	0.4
Merlon Capital Partners Pty Ltd	75,862,586	2.6
	144,319,385	**4.9**
Cash		
BNP Paribas Securities Services	1,589	0.0
Colonial First State Global Asset Management	194,560,202	6.6
Members Equity Bank	51,892,802	1.8
	246,454,593	**8.4**

Note: Exact breakdowns may vary slightly due to rounding.

Who manages your money? [continued]

Fund Manager	Market value of invested funds $A	% of total funds under management
Australian Private Equity		
Archer Capital Pty Limited	431,880	0.0
CHAMP Ventures Management Pty Ltd	6,869,250	0.2
Industry Super Holdings	851,701	0.0
Macquarie Investment Management Limited	21,194,073	0.7
Members Equity Bank Pty Limited	1,509,160	0.1
Pomona Capital	17,909,444	0.6
Quay Partners Private Equity Specialists	17,517,281	0.6
Wilshire Australia Pty Limited	9,647,680	0.3
	75,930,468	**2.6**
Infrastructure		
Industry Funds Management	102,395,616	3.5
Infrastructure Capital Group	95,726,626	3.3
Westbourne Credit Management Limited	68,449,882	2.3
	266,572,125	**9.1**
International Private Equity		
EQT Funds Management Limited	1,516,697	0.1
ICE Canyon LLC	13,287,848	0.5
Industry Funds Management	10,805,627	0.4
Sigular Guff & Company, LLC	17,916,695	0.6
Wilshire Australia Pty Limited	8,333,954	0.3
	51,860,822	**1.8**
Derivatives		
Tactical Global Management Limited	22,174,364	0.8
	22,174,364	**0.8**
TOTAL INVESTED PORTFOLIO	**2,928,102,253**	**100.0**

Allocations include liquidity held by managers that is not yet invested.

Note: Exact breakdowns may vary slightly due to rounding.

Investment holdings

Approximate underlying assets held by Media Super as at 30 June 2012

Total Fund – top 10 assets

Rank	Asset	Asset Class	Weighting (%)
1	BHP Billiton Limited	Australian Shares	2.6
2	National Australia Bank Limited	Australian Shares	1.9
3	Commonwealth Bank Of Australia	Australian Shares	1.7
4	Westpac Banking Corporation Limited	Australian Shares	1.5
5	Australia / New Zealand Banking Group Limited	Australian Shares	1.2
6	Telstra Corporation Limited	Australian Shares	1.0
7	Woolworths Limited	Australian Shares	1.0
8	Pacific Hydro	Infrastructure	1.0
9	NCIG HIPRS	Infrastructure	0.7
10	Garden City Booragoon, Booragoon WA	Direct Property	0.7
Total top 10 as % of Total Fund			**13.3**

Top 20 Australian Share holdings

Rank	Australian Shares	Weighting of Australian Shares portfolio (%)
1	BHP Billiton Limited	8.7
2	National Australia Bank Limited	6.4
3	Commonwealth Bank Of Australia	5.7
4	Westpac Banking Corporation Limited	5.0
5	Australia / New Zealand Banking Group Limited	4.2
6	Telstra Corporation Limited	3.3
7	Woolworths Limited	3.3
8	Brambles Limited	2.1
9	Woodside Petroleum Ltd	2.1
10	Origin Energy Limited	1.8
11	News Corporation	1.9
12	Wesfarmers Limited	1.7
13	AGL Energy Limited - Mergco	1.5
14	Insurance Australia Group Limited	1.4
15	Rio Tinto Limited	1.9
16	Lend Lease Group	1.2
17	Suncorp Group Ltd	1.1
18	Henderson Group Plc – Cdi	1.1
19	Resmed Inc	1.0
20	CSL Limited	1.0
Total top 20 as % of Australian Shares portfolio		**56.4**

Investment holdings [continued]

Top 10 Overseas Share holdings

Rank	Overseas Shares	Weighting of Overseas Shares portfolio (%)
1	Nestle SA	1.3
2	Legrand SA	1.2
3	Schein Henry Inc. Company	1.1
4	Unilever NV	1.0
5	Samsung Electronics	1.0
6	Danaher Corp Company	1.0
7	Standard Chartered PLC	0.9
8	Microsoft Corporation	0.8
9	Pernod Ricard	0.8
10	EBAY Inc. Company	0.8
Total top 10 as % of Overseas Shares portfolio		**9.9**

Top 10 Direct Property holdings*

Rank	Direct Property	Weighting of Direct Property portfolio (%)
1	Garden City Booragoon, Booragoon WA	8.2
2	Warringah Mall, Brookvale NSW	5.5
3	Mount Ommaney Centre, Mount Ommaney QLD	4.0
4	Exchange Plaza, Perth WA	3.2
5	Bendigo Marketplace, Bendigo VIC (including sundry sites)	3.1
6	AMP Centre, 50 Bridge Street, Sydney NSW	3.0
7	Garden City Mt Gravatt, Upper Mt Gravatt QLD	2.8
8	135 King Street, Sydney NSW	2.6
9	140 St Georges Tce, Perth WA	2.5
10	Cheval Apartments, Houston Texas USA	2.3
Total top 10 as % of Direct Property portfolio		**37.2**

*Approximate holdings as at 31 May 2012

Top 10 Listed Property holdings*

Rank	Listed Property	Weighting of Listed Property portfolio (%)
1	Simon Property Group Inc	7.0
2	Public Storage	3.1
3	Equity Residential	2.9
4	Unibail-Rodamco	2.9
5	Prologis Inc	2.6
6	Ventas Inc	2.6
7	HCP Inc	2.5
8	Vornado Realty Trust	2.4
9	Boston Properties Inc	2.4
10	AvalonBay Communities Inc	2.1
Total top 10 as % of Listed Property portfolio		**30.5**

Top 10 Infrastructure holdings*

Rank	Infrastructure	Weighting of Infrastructure portfolio (%)
1	Pacific Hydro	10.7
2	NCIG HIPRS	8.1
3	Melbourne & Launceston Airport	5.3
4	Kwinana Power Station	4.3
5	Esperance Energy Project	4.2
6	Brisbane Airport	4.2
7	Arqiva Limited	3.7
8	Neerabup Power Station	3.7
9	Hallett Wind Farm	3.2
10	Port of Brisbane	3.1
Total top 10 as % of Infrastructure portfolio		**50.5**

*Approximate holdings as at 31 May 2012

For your information

Industry Super Holdings

Along with a number of Industry Funds, Media Super holds an interest in Industry Super Holdings Pty Ltd (ISH) and Members Equity Bank Pty Limited (0.26%).

ISH has a number of subsidiary companies, including Industry Fund Services Ltd (IFS) which provides fund-based financial planning services to Media Super, and Industry Funds Management Pty Ltd (IFM) which manages a selection of Australian listed equities, infrastructure and private equity portfolios on behalf of the Fund.

Members Equity Bank holds cash and short-term deposits on behalf of the Fund, and provides low-cost home loans and banking products to industry superannuation fund members.

Media Super sponsorship policy

Media Super maintains a policy which encourages a number of sponsorship activities and awards which are closely associated with its membership. The sponsorships enable the Fund to maintain a highly visible presence in its core markets, and enable members to maintain regular contact with the Fund and its offerings. The Media Super Trustee Office monitors the effectiveness of these activities through regular report-backs on the numbers and quality of member engagement.

These sponsorships include support for the printing industry's national and state PICA awards, organised by the Printing Industry Association of Australia; the premium awards in journalism known throughout Australia as the Walkleys, organised by the Media Entertainment and Arts Alliance (MEAA); and the Helpmann theatre and music awards, organised by Live Performance Australia.

Sponsorship also involves:

- support for professional women in printing and graphics
- information by the AMWU for workers in the printing and bindery industries to engage with and join the Fund
- student days organised by the MEAA for young journalists learning their skills
- the AWGIE awards for more experienced authors, sponsored by the Australian Writers Guild
- regional and country press awards
- forums for Australian film producers and directors, organised by the Screen Producers Association of Australia and the Australian Directors Guild
- the annual conference of commercial radio stations
- Trustee forums organised by the Australian Council of Trade Unions.

The amount spent in the 2011–12 financial year across all these categories was $419,460.

Advisers and service providers

Administrator: Mercer Outsourcing (Australia) Pty Ltd

Auditor: Deloitte Touche Tohmatsu

Bankers: Westpac Banking Corporation

Custodian: BNP Paribas Fund Services Australasia Pty Ltd

Communications: Publicity Works Pty Limited

Insurers: OnePath Life Limited (formerly named ING Life Limited)

Lawyers: Minter Ellison Lawyers, Henry Davis York, Maurice Blackburn Commercial

Investment Advisers: Frontier Consulting, Angeles Investment Advisors LLC, Quentin Ayers Pty Ltd

Financial Planning Services: Industry Fund Services Ltd

Reserving policy

The Fund does not maintain reserves for the purpose of smoothing investment returns. However, because of timing differences with regard to the payment of taxation and expenses, unallocated amounts will, from time to time, accrue in the Fund. The Trustee monitors these accruals to ensure that any unallocated amounts are used to pay liabilities or are returned to members, as appropriate.

Professional indemnity insurance

Media Super Limited, as an AFSL holder, has taken out professional indemnity (PI) insurance in accordance with the requirements of the *Corporations Act*. The PI insurance will cover claims in relation to the conduct of Media Super Limited and its employees or any representatives who work, or who have worked, for the Trustee, where the Fund is found to have a liability for loss or damage suffered by a person to whom it provides a financial service.

Complying fund

The Trustee is a complying superannuation fund for taxation purposes. All necessary returns and certificates have been lodged with the Australian Prudential Regulation Authority (APRA). Once the audit of Media Super's Financial Statements is complete, returns for the year to 30 June 2012 will also be lodged with APRA.

Complaints

Media Super welcomes feedback and has procedures in place to deal with member complaints.

If you have a complaint, write to us at:

Complaints Officer
Media Super
GPO Box 4303
Melbourne VIC 3001

All complaints will be acknowledged promptly and, in most cases, addressed within 30 days. You will receive a written reply detailing Media Super's decision. If you are not satisfied with our response or handling of a complaint, or have not received a response within 90 days, then you may take your complaint to the Superannuation Complaints Tribunal (SCT), an independent tribunal set up by the Federal Government to review certain types of trustee decisions.

You can contact the SCT by:
phoning: **1300 884 114**
visiting: **www.sct.gov.au**
writing: **SCT**
Locked Bag 3060
Melbourne VIC 3001

Superannuation surcharge

The superannuation surcharge was abolished from 1 July 2005; however, the surcharge will still be payable for periods prior to that date. Where the Fund receives a surcharge assessment for a member, the required amount will be deducted from the member's account and paid to the Australian Taxation Office.

Temporary residents

Media Super relies on relief provided by the Australian Securities and Investment Commission (ASIC), and will not provide departed former temporary residents whose benefits are paid to the ATO with notices or exit statements at the time or after any benefits are paid to the ATO pursuant to the *Superannuation (Unclaimed Money and Lost Members) Act 1999*. Please refer to the *Additional Information Booklet*, part of the Media Super *Member Guide Product Disclosure Statement* for further information.

Financial statements

Statement of Financial Position as at 30 June 2012

ASSETS	2012 $'000	2011 $'000
Cash Assets		
Cash and cash equivalents	26,784	34,560
Receivables		
GST receivable	475	349
Other receivables	-	52
Investments		
Investments	2,935,258	2,872,167
Other Assets		
Prepayments	117	101
Fixed assets	756	738
Deferred tax assets	45,870	36,129
TOTAL ASSETS	**3,009,260**	**2,944,096**
LIABILITIES		
Benefits payable	-	249
Unallocated contributions	65	503
Creditors and accruals	3,437	5,530
Employee entitlements	462	425
Current tax liabilities	11,524	19,051
Deferred tax liabilities	2,038	684
TOTAL LIABILITIES	**17,526**	**26,442**
NET ASSETS AVAILABLE TO PAY BENEFITS	**2,991,734**	**2,917,654**
Represented By: **LIABILITY FOR ACCURED BENEFITS**		
Allocated to members' accounts	2,962,960	2,901,393
Unallocated Reserves	23,006	10,506
- Trustee administration reserve	5,662	5,654
- RSE Licence account	106	101
	2,991,734	**2,917,654**

This statement should be read in conjunction with the notes to the financial statements (i.e. the audited accounts for the Fund).

Statement of Financial Position as at 30 June 2012

REVENUE	2012 $'000	2011 $'000
Investment Revenue		
Interest	3,924	2,201
Dividends	62,437	41,143
Distributions	76,303	132,627
Changes in net market value	(144,967)	59,245
Fee rebates	1,758	1,512
Direct investment expense	(7,375)	(6,985)
	(7,920)	**229,743**
Contribution Revenue		
Employer contributions	220,002	218,378
Member contributions	14,955	15,858
Government co-contributions	1,830	3,121
Transfers in	51,467	55,604
	288,254	**292,961**
Other Revenue		
Insurance proceeds	10,314	7,130
Write back of JUST Super provision	–	4,248
Other income	8	50
	10,322	**11,428**
TOTAL REVENUE FROM ORDINARY ACTIVITY	**290,656**	**534,132**
EXPENSES		
General administration expenses	16,900	11,333
Insurance premiums	11,555	10,300
Contribution surcharge expense	1	28
TOTAL EXPENSES FROM ORDINARY ACTIVITY	**28,456**	**21,661**
BENEFITS ACCRUED AS A RESULT OF OPERATIONS BEFORE INCOME TAX	**262,200**	**512,471**
INCOME TAX EXPENSE	15,373	45,355
BENEFITS ACCRUED AS A RESULT OF OPERATIONS AFTER INCOME TAX	**246,827**	**467,116**

This statement should be read in conjunction with the notes to the financial statements (i.e. the audited accounts for the Fund).

These are Media Super's abridged unaudited accounts for 2011-12. If you wish to view a copy of the audited accounts and the auditor's report for this year or any other year, please phone Media Super on **1800 640 886** or write to us at GPO Box 4303, Melbourne VIC 3001. The 2012 audit will be completed by 31 October 2012, and the audited accounts together with the auditor's report are expected to be available shortly thereafter.

Finding lost super? It's easy! Start here

combineyoursuper.com.au

If you've changed your name or address, joined a new fund or simply switched jobs, there's a fair chance you may have 'lost' a super account. To make sure you haven't, follow these 3 easy steps.

3 easy steps!

1. Search for your lost super:

Follow our quick links to the free databases at AUSfund, SuperTrace, Unclaimed Money at ASIC and the ATO's SuperSeeker.

2. Find accounts still with other super funds:

Use the ATO's SuperSeeker service to locate your other account details.

3. Combine all your accounts and avoid paying multiple fees!

Use our web-based service to pre-fill and save your forms online. You'll need to provide a completed *Combine and save!* form and a certified copy of your photo ID for each separate account.

To find out more, or for help certifying your ID, contact your local Relationship Manager and they can help you with the process.

combineyoursuper.com.au

Live happily ever after...

A Media Super Pension can turn your super nest egg into a consistent, tax-effective income stream that can help make your life after work much happier.

You can start one as soon as you turn 55 – even if you're still working!

To find out more, call our friendly team on 1800 640 886.

Super for creative people

If you're working in a creative industry, you know that your job is different – flexible hours, diverse projects, varying demands.

We understand.
After all, we are your industry super fund.

Low fees | Strong long-term performance | Run only to benefit members

HOW TO CONTACT US

Phone: Enquiries Officer 1800 640 886 (freecall anywhere in Australia)

Fax: 1800 246 707

Website: mediasuper.com.au

Mail: Media Super Limited
GPO Box 4303, Melbourne VIC 3001

media super

An Industry SuperFund

Media Super Limited ABN 30 059 502 948, AFSL 230254 as Trustee of Media Super ABN 42 574 421 650, SPIN PIN0100AU. MSUP 33905