



## ANNUAL REPORT 2011 SUPPLEMENT FOR INCOME STREAM MEMBERS



*As Income Stream accounts operate slightly differently to superannuation accounts, the Fund has produced this supplement to provide members who have an Income Stream account with information that is more specific to your needs and may not be covered in the Annual Report. It is important however, that you read the information contained in this supplement in conjunction with the Fund's Annual Report, as the structure of the Fund, and how members' money is invested for each Investment Option, is common to all Mercy Super accounts.*

An Income Stream is a flexible, tax-effective way to control your income and investment options in retirement, or while making a gradual transition to retirement. It enables you to receive a regular income from your super with the added bonus of no tax payable on the investment earnings.

### INCOME STREAM PRODUCTS

Mercy Super provides two different types of Income Stream accounts.

#### Pre-Retirement Income Stream

This product is available to you if you are still working but have reached your preservation age, which will be between 55 and 60 depending on your date of birth. This is the age at which you can start to draw down some of your accumulated super to supplement your other income.

#### Account Based Income Stream

This product provides a regular annual income to you if you have already permanently retired after reaching your preservation age.

#### Important information on the difference in Income Stream returns

The reason for the difference between returns for our superannuation and Income Stream categories is that the investment earnings of Income Stream members are not subject to taxation.

In times when the investment earnings are positive, members will generally benefit from a higher crediting rate. When returns are negative, crediting rates for Income Stream members will be lower because there is no ability to claim taxation credits for losses incurred.

### RETURNS FOR 2010/2011

This year, the Fund is pleased to be able to post a good return for all investment options. Our investment returns for the last year have been consistent with long-term expectations. In recent times, the share markets around the world have experienced significant volatility reflecting concerns about the health of the global economy. It is important to remember rises and falls are part of the investment process and to keep in mind your long-term goals. Even in retirement, investment strategies are often in place for a number of years.

Investment returns for Income Stream members for each investment option for the year to 30 June 2011 are shown in the table below. Also represented are the 5 year compound average annual returns to 30 June 2011.

Investment Option	1 Year Return	5 year Compound Average Annual Return
Balanced Growth (default)	9.4%	2.8%
Balanced	8.2%	4.1%
Cash	6.1%	5.8%
Shares	10.8%	1.5%
Socially Responsible	8.8%	N/A <sup>1</sup>

<sup>1</sup> The Socially Responsible investment option was introduced on 1 December 2007. As such, a five year average return is not available.



## IS NOW THE TIME FOR SOME FINANCIAL ADVICE?

We understand that some of the concepts relating to superannuation, retirement planning and investments are quite complicated, or that you may consider making some changes to your Income Stream account from time to time as your personal circumstances change.

*Sometimes, just a little advice can make a world of difference.*

To assist our members make informed decisions about their finances, Mercy Super has partnered with Industry Fund Financial Planning (IFFP)\* (AFSL 232514) to provide access to quality, independent, low cost financial advice.

If you feel you need some financial advice, or could benefit from a financial plan, please contact IFFP Financial Planner Cheryl Haines through Mercy Super on 1300 368 891 and make an appointment.



Cheryl Haines is the Industry Fund Financial Planning representative for all Mercy Super members, and can assist you with a range of advice in financial related matters including:

- > Retirement planning
- > Transition to Retirement strategies (TTR) to build super after age 55
- > Salary packaging
- > Superannuation
- > Investing outside super and debt reduction
- > Centrelink benefits, tax strategies and redundancy

Whether you just have a quick question or need comprehensive advice, Cheryl can work with you to help you reach your financial goals.



1300 368 891

Industry Fund Financial Planning is a division of Industry Fund Services Pty Ltd. ABN 54 007 016 195 AFSL No. 232514. IFFP is a wholly owned subsidiary of Industry Super Holdings Pty Ltd (ISH). ISH is owned by a number of leading shareholders go to iffs.net.au FP\_AD\_SOMSSS\_0910

## FOR MORE INFORMATION

If you require more information about your Income Stream account feel free to contact us:

### IN PERSON

Whitty Building  
Mater Health Services  
Raymond Terrace  
South Brisbane QLD 4101

### PHONE

1300 368 891 or (07) 3163 8867

### MAIL

PO Box 8334  
Woolloongabba QLD 4102

### FAX

(07) 3163 2421

### EMAIL

[information@mercysuper.com.au](mailto:information@mercysuper.com.au)

### WEB

[www.mercysuper.com.au](http://www.mercysuper.com.au)

## PLEASE NOTE

*This Report was prepared and issued on 23 September 2011 and is a supplement to, and should be read in conjunction with the Mercy Super ABN 11 789 425 178, Annual Report to members for the year to 30 June 2011. The Trustee of the Fund is Mercy Super Pty Ltd, 98 056 047 324. Mercy Super is Corporate Authorised Representative No. 268897 and is authorised to provide general financial product advice in relation to superannuation under AFSL No. 238507, and is a Registered Superannuation Entity (RSE Licence No L0001359 and RSE registration No R1004311).*

*This Supplement contains general information and advice, but does not take into account your personal objectives, financial situation or needs. Before deciding whether to act on any information provided in this document, it is important that you consider the appropriate Member Booklet (also known as a Product Disclosure Statement), having regard to your own particular situation. Please contact the Fund if you wish to obtain a copy of the Member Booklet.*

*\* IFFP is a service offered by an organisation other than Mercy Super. The Trustee of Mercy Super is not responsible for the services provided.*

Always for you