



**MEAT INDUSTRY EMPLOYEES'  
SUPERANNUATION FUND**



**MIESF – A small fund with  
BIG investment returns**

# Annual Report

For the year ended 30 June 2019

# Summary of benefits & costs

## MIESF returns all of its profits to members Higher returns – Lower costs

### Earnings Allocated – MIESF MySuper and Pension section

2018/19	8.3% p.a. (9.5% p.a. for Pension section and 8.3% p.a. for Transition to Retirement Pensioners)
5 year average	8.0% p.a. (8.9% p.a. for Pension section)
10 year average	8.3% p.a. (9.2% p.a. for Pension section)
20 year average	7.0% p.a. (7.8% p.a. for Pension section)
36 year average	8.6% p.a. (Pension section started in 1995)

### Earnings Allocated – High Growth Option (Started 31 January 2009)

2018/19	9.2% p.a.
5 year average	9.4% p.a.
10 year average	10.3% p.a.

### Management Fees and Costs

**Administration** \$104 p.a. (\$2.00 per week) is deducted from each account.  
plus 0.1% p.a. indirect expense recovery fee

### Investment Fees

0.45% p.a. of your account balance when it is invested in MIESF MySuper or the Pension section; or  
0.35% p.a. of your account balance when it is invested in the High Growth Option.

The Fund's investment related costs and the indirect expense recovery fee come out of the investment option's before-tax earnings before determining the earnings rates.

There are no entry fees or buy/sell spreads or withdrawal fees.

### Death, Terminal Illness and Total and Permanent Disablement (TPD) Insurance Cover

Eligible members under age 55 have \$200,000 of death and Terminal Illness insurance cover.

Eligible members aged 55 to 64 inclusive have \$100,000 of death and Terminal Illness cover.

Eligible members aged 65 to 69 inclusive have \$35,000 of death insurance cover.

Eligible members aged 65 to 68 inclusive have \$35,000 of Terminal Illness insurance cover.

Eligible members under age 30 have \$150,000 of TPD insurance cover. The level of cover reduces rapidly from age 30 to age 64 and is \$0 from age 65.

An amount is deducted from each eligible member's account to cover the cost of insurance, depending on the member's age and the amount of cover.

You can view the Fund's Insurance Booklet dated 1 July 2019 online at [miesf.com.au/pds](http://miesf.com.au/pds)

The various cover restrictions are explained on pages 3 and 4 of the Insurance Booklet.

### Pension Section

Members who have reached their preservation age can start a MIESF Pension with the same low "Management Fees and Costs" as set out above. You will have to be at least age 58 to start a pension in 2019/20.

### Voluntary Contributions

Voluntary member contributions can be made at no extra cost and may qualify for government co-contributions – see page 7. You may also be entitled to claim a tax deduction on your voluntary member contributions made to MIESF from your after-tax income.

Please note that if you are aged 65 or over, you will need to be employed on at least a part-time basis to make voluntary member contributions. If you are aged 75 or over, you cannot make these contributions into superannuation.

### Your Industry Fund

MIESF was established over 35 years ago by the Australasian Meat Industry Employees Union. It operates Australia-wide as a multi employer fund providing superannuation for people working in the meat industry.

The above is only a summary. Please note that past investment performance is not a reliable indicator of future performance.

Details of the Fund's benefits, costs and operations can be seen in our latest Product Disclosure Statement (PDS) dated 1 July 2019. There is also a PDS for the Pension section members dated 1 July 2019.

You can view these PDSs on line at [miesf.com.au/pds](http://miesf.com.au/pds) or if you would like a printed copy, please call 1800 252 099.

You should refer to the Fund's PDSs before making a decision about the Fund.

# Welcome to MIESF

## Message from the Chairperson and the Secretary

We are very pleased to present MIESF's Annual Report and to report that MIESF has produced another year of outstanding and very competitive investment returns in 2018/19 for our members. The excellent returns for MIESF MySuper and the pensioners were achieved whilst maintaining a lower risk profile than most funds.

**A return (net of investment costs and tax) of 8.3% for the year was allocated to the accounts of members in the Main and Spouse sections (in this report, "Accumulation Members") in MIESF MySuper.**

The 8.3% return is about the twelfth highest of returns for MySuper accounts in over 90 Australian superannuation funds.

**The return credited to Accumulation Members in the High Growth Option was even better at 9.2% for the year. It should be noted that this higher return was achieved with a higher degree of risk.**

**An earnings rate of 9.5% was allocated to members' pension accounts in 2018/19 except that Transition to Retirement pensions receive the same earnings rate as MIESF MySuper from 1 July 2017 onwards.**

We remain surprised that more members contemplating retirement or semi-retirement have not started a MIESF Pension (see page 5 for more details).

Your superannuation is a long-term investment and members are urged to take a long-term view. People have differing ideas about what period is long-term. The returns achieved by members in MIESF to 30 June 2019 are shown on the previous page of this report. Please note past investment performance is not a reliable indicator of future performance.

You can see on pages 4 and 5 that compared with other similar superannuation funds, MIESF's investment returns have been very competitive. Further details of the Fund's investments are given on pages 9-14. The Trustee regularly monitors the Fund's investment performance and also reviews the Fund's investment objectives and strategy.

As you may know, the Fund is internally administered and members can call the Fund and speak to our staff who know the Fund and can answer members' queries. You can also get information from our website at [miesf.com.au](http://miesf.com.au)

**Please see pages 6 and 18 for details of the circumstances in which the Fund will have to send your money to the Australian Taxation Office and how you can stop that from happening.**

During 2018/19, the administration fee was \$1.50 per member per week. A \$35 withdrawal fee also applied for each withdrawal or exit from the Fund. The fees have been restructured from 1 July 2019 due to legislative requirements. The Fund's ongoing management and investment costs are described on page 16. **MIESF's management and investment costs are amongst the lowest of all superannuation funds in Australia.**

The Fund continues to be supported by the Union and the Union is proud of its association with the Fund and its long-term achievements.

**We are pleased to offer our members a low cost, simple and efficient superannuation fund that returns all profits to its members.**

We thank you for being a member of MIESF and remind you that you can contact us with any queries as shown on the back page of this report.

On behalf of the directors, we acknowledge with thanks the hard work and dedication of our management team and staff and we look forward to their ongoing commitment during 2019/20.

### Paul Conway

Secretary, Meat Industry Employees' Superannuation Fund Pty Ltd  
and Secretary of the Victorian Branch of Australasian Meat Industry  
Employees Union (AMIEU, or Union).

### Chris White

Independent Chairperson  
Meat Industry Employees' Superannuation Fund Pty Ltd

#### Disclaimer:

This annual report has been prepared by the Trustee to meet its legislative obligations under the Corporations Act 2001 (Cth). The information contained in this annual report does not take account of the specific needs, or personal or financial circumstances of any persons. Readers should obtain specialist advice from a financial adviser who is licensed to provide personal financial product advice before making any changes to their own superannuation arrangements or investments. You should also read carefully the Fund's Product Disclosure Statements.

The terms of your membership in the Fund are set out in the Fund's trust deed and, should there be any inconsistency between this annual report and the Fund's trust deed, the terms of the Fund's trust deed prevail. While all due care has been taken in the preparation of this report, the Trustee reserves its right to correct any errors and omissions.

All statements of law or matters affecting superannuation policy are up-to-date as at 30 September 2019.

This document contains general information about investments and investment performance. Please remember that past performance is not a guide to future performance. Investments can go up or down in value.

Issued by Meat Industry Employees' Superannuation Fund Pty Ltd (ABN 58 005 793 199) (AFSL 239953)  
as Trustee of the Meat Industry Employees' Superannuation Fund (ABN 17 317 520 544) MySuper Authorised 17317520544110

# Investment performance of MIESF MySuper

## Spectacular investment returns from shares, property and fixed interest

The 2018/19 financial year was another very good period for many investors. For the year to 30 June 2019, the returns on the main types of investments (based on representative indices) were approximately:

Australian shares	11%	International shares	6%	Cash	2%
Australian unlisted property	7%	Fixed interest	10%		

The fall in the value of the Australian dollar increased the gains on international shares for Australian investors to approximately 12%. These returns do not include the impact of investment costs and tax.

MIESF invests in a mix of investments to achieve the objectives set for its investment options and has delivered a tenth straight year of positive annual returns. MIESF's shares, private equity, property and fixed interest investments produced very strong returns.

**MIESF delivered a return (net of investment costs and tax) for the year of 8.3% for members in MIESF MySuper.**

## Very competitive investment returns

MIESF MySuper's investment returns can be compared to other superannuation funds as represented by the median (middle-ranking) return of 150 investment options in the SelectingSuper survey of large superannuation funds with "growth" investments of between 55% and 75%. The comparison to the SelectingSuper survey (selectingsuper.com.au) is shown below.

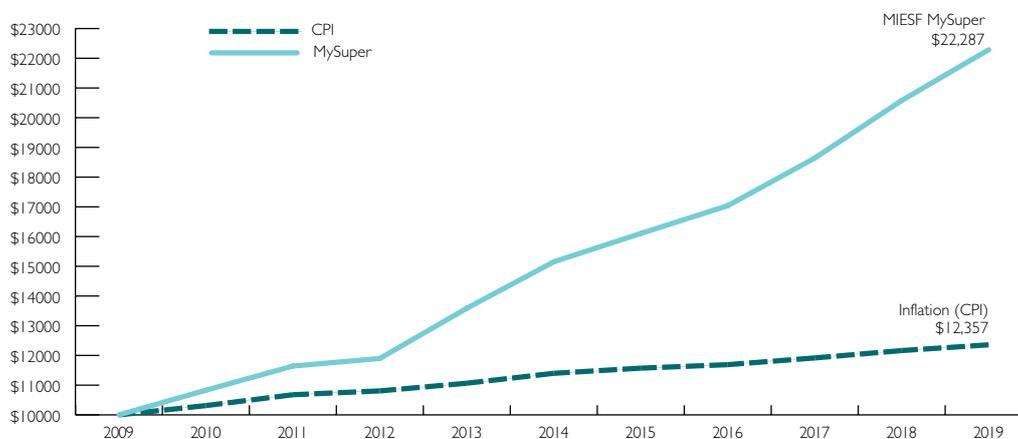
Period up to 30 June 2019	MIESF MySuper Return % p.a.	SelectingSuper Survey Median Return % p.a.
1 year	8.3	6.9
3 years	9.4	8.0
5 years	8.0	7.0
7 years	9.4	8.8
10 years	8.3	8.1

MIESF MySuper generally has a lower exposure to growth investments than the funds in the survey. While this may produce a lower return than the survey median in some years, it is intended to produce a smoother pattern of returns for members over time and to have a lower chance of a negative return (i.e. losing money) in any given year.

## Strong long-term returns

What really counts for members is the security of their superannuation balances and getting a good return over the long term without taking undue financial risk. The Trustee is pleased that the return for the 2018/19 year adds to a history of annual returns which delivers for members.

**A MIESF MySuper member who had an account balance of \$10,000 on 30 June 2009 and no other contributions would have benefited from strong growth over the past ten years**



Graph relates to 30 June of each year and assumes no insurance premiums

MIESF MySuper's average return of 8.3% per year for the last ten years is higher than the return that could have been earned by investing in cash (based on the return of the Bloomberg AusBond Bank Bill Index of 3.0% p.a., which would be 2.6% p.a. after the 15% superannuation tax rate). Importantly, the MIESF MySuper ten year average return comfortably exceeds the average inflation rate over that period, which was 2.1% per year.

**Despite the market volatility over the last ten years, taking a long-term view of superannuation and sticking to a prudent investment plan has benefited members of MIESF.**

# Investment performance of the High Growth Option

## High Growth Option – outstanding investment returns

Since 31 January 2009, MIESF has offered members of the Main section of the Fund an investment option with a higher allocation to growth assets, known as the “High Growth Option”. This investment choice is expected to be riskier with a higher chance of falling in value in any year than MIESF MySuper:

**MIESF delivered a return (net of investment costs and tax) for the year of 9.2% for members in the High Growth Option.**

The returns for members in the High Growth Option for various periods up to 30 June 2019 have been very competitive with the investment options of most other large superannuation funds with high allocations to “growth” investments.

One measure of competitiveness is to compare the MIESF High Growth Option’s investment returns with the median (middle-ranking) return of 174 investment options in the SelectingSuper survey of large superannuation funds with “growth” investments of more than 75%. The comparison to the SelectingSuper survey is shown below.

Period up to 30 June 2019	MIESF High Growth Return % p.a.	SelectingSuper Survey Median Return % p.a.
1 year	9.2	7.3
3 years	10.5	9.7
5 years	9.4	8.0
7 years	12.0	10.5
10 years	10.3	9.1

## Have you considered a MIESF pension?

A MIESF pension offers you an account where you can invest your superannuation in order to receive a regular income. Such a pension can offer you significant tax savings.

MIESF’s Pension section is open to members of the Fund who have reached their preservation age; you will have to be at least age 58 to start a pension in 2019/20.

You do not have to retire permanently from your job before you can convert your super to a pension. Provided you have reached your preservation age, you can start a MIESF Pension and “Transition to Retirement” at your own pace by continuing to work, reducing your working hours and supplementing your pay with regular pension payments (up to a maximum each financial year of 10% of your account balance at the start of that year). Members over age 60 may also be able to boost their retirement savings by starting a “Transition to Retirement” pension and using the income as a substitute to finance salary sacrifice contributions to their on-going superannuation account. **The investment return for Transition to Retirement pensions is the same as the MIESF MySuper return from 1 July 2017 onwards.**

You should consider the Fund’s Product Disclosure Statement for the Pension section members dated 1 July 2019 before making a decision about this product.

**MIESF delivered a return (net of investment costs and tax) for the year of 9.5% for MIESF pensioners.**

The returns for MIESF pensioners for various periods up to 30 June 2019 can be compared to the median (middle-ranking) return in the SelectingSuper survey of 130 investment options for pensioners in large superannuation funds with “growth” investments of between 55% and 75%. The comparison to the SelectingSuper survey is shown below.

Period up to 30 June 2019	MIESF Pension Section Return % p.a.	SelectingSuper Survey Median Return % p.a.
1 year	9.5	7.5
3 years	10.4	8.9
5 years	8.9	7.8
7 years	10.4	9.8
10 years	9.2	9.0

The investment portfolio for the Pension section of the Fund generally has a lower exposure to growth investments than the funds in the survey. While this may produce a lower return than the survey median in some years, it is intended to be more stable and have a lower chance of losing money in any given year.

# Important superannuation information

## We have a Field Officer

Theo Retsinas can be contacted on **0477 910 901** or **theo.retsinas@miesf.com.au**

Theo has over 20 years' experience in superannuation and has worked for larger industry super funds in various roles.

Theo has a strong belief in industry super and enjoys helping MIESF Employers and members.

## Big changes to insurance

Death, Terminal Illness and Total and Permanent Disablement (TPD) insurance cover has been provided to all eligible members since 1 July 2013.

The cost of insurance cover from 1 July 2019 depends on the age of the member and the amount of cover. More details on the Fund's insurance arrangements are shown on page 17.

The Australian Government has made new laws that **may result in your insurance cover in MIESF being cancelled**. Three groups of members are affected:

1. From 1 July 2019, if we have not received any contributions from you or your employer or a rollover from another fund on your behalf for more than 16 months; or
2. From 1 April 2020, if your account balance is less than \$6,000; or
3. From 1 April 2020, if you join the Fund and are under the age of 25 years.

The good news is that you do have a choice.

**You can continue your insurance cover by completing section 2 of the Member Super Choices form and returning it to the Fund.**

There is a copy of the form distributed with this Annual Report or in the "Member Forms" section of our website **miesf.com.au**

**Please note that members who have their insurance cover cancelled due to no amount being received for 16 months will only have their cover reinstated if the Fund accepts an employer contribution from a participating employer on their behalf.**

## MIESF MySuper is a success

Government legislation requires employers in many cases to pay superannuation contributions to a fund that offers a MySuper account. These MySuper accounts are intended to be a low cost, simple and efficient option to members for their Superannuation Guarantee contributions.

The Trustee of MIESF is authorised by the Australian Prudential Regulation Authority to provide MIESF MySuper for its members.

Over time you should be able to compare MySuper products and you will see that MIESF is one of the lowest cost superannuation funds in Australia and provides competitive investment returns.

## Important superannuation rules

1. Compulsory Superannuation Guarantee (SG) contributions made by your Employer should be 9.5% of your ordinary time earnings.
2. If your income is lower than \$37,000 in a year, the Australian Taxation Office (ATO) will refund the 15% tax paid by the Fund on your Superannuation Guarantee and salary sacrifice contributions made. The maximum payment is \$500 per annum and it is made directly into your superannuation account.  
  
This benefit for low income earners is known as the Low Income Superannuation Tax Offset (LISTO). \$4.2 million has been received from the ATO and been credited to members' accounts in MIESF.
3. The Government rules covering when superannuation funds must transfer a member's account balance to the ATO are given on page 18.

**If your account balance is less than \$6,000 and the Fund has not received contributions or a rollover for 16 months and you have not elected to have insurance cover, then your benefit will be transferred to the ATO. You can stop that from occurring by contacting the Fund.**

**If you wish to transfer some or all of your other superannuation benefits to MIESF, please complete the Superannuation Transfer Authority form distributed with this Annual Report and send it back to the Fund.**

**This form can also be found in the "Member Forms" section of our website.**

# Boosting your retirement benefit by making contributions

## Making your own contributions

You can increase the size of your retirement benefit by making your own contributions to MIESF. Even a few extra dollars per week, contributed over your working life can translate into thousands of dollars in the long term. Full details can be seen at [ato.gov.au/individuals/super/growing-your-super](http://ato.gov.au/individuals/super/growing-your-super)

The contributions can be made on a pre-tax basis (also known as salary sacrifice), if permitted by your employer, or on an after-tax basis (also known as voluntary member contributions). You may also be entitled to claim a tax deduction on your personal contributions made to MIESF from your after-tax income.

Members often ask which is the best way of making additional contributions. The correct answer depends on your individual financial situation, including your income level. From 1 July 2019, if your "total income" is less than \$38,564 per year (\$742 per week) you may be eligible to receive an extra "co-contribution" to your superannuation fund paid for by the Government of up to \$500 per year, depending on the amount of contributions that you make. The extra Government contributions have amounted to more than \$8.6 million for the MIESF members during the past fourteen years.

Your "total income" is your assessable income plus all reportable fringe benefits and salary sacrifice contributions made on your behalf. Your total income may be reduced by deductions from carrying on a business.

Your assessable income is your income before any deductions are allowed. Assessable income includes any salary payments received (including bonuses, annual or long service leave payments), gross investment income received and the taxable component of any withdrawals you make from superannuation in that financial year.

If you are considering making additional contributions, then you should try to qualify to receive the maximum co-contribution that is available to you. The table below shows the voluntary contribution that must be made to receive the maximum co-contribution at various levels of "total income". For example, if your "total income" is \$857 per week, the maximum co-contribution available is \$300 and this would be payable if you contribute at least \$600 per year from your after-tax pay, i.e. \$11.50 per week.

Once you have qualified to receive the maximum co-contribution available for your income, it may be worth considering making additional contributions to the Fund by salary sacrifice or by making personal contributions and claiming a tax deduction.

For 2019/20, if your taxable income is between \$18,200 per year (\$350 per week) and \$37,000 per year (\$712 per week), making additional contributions by salary sacrifice or claiming a tax deduction for your personal contributions reduces your tax and Medicare Levy by 21% of the contribution.

If your taxable income is between \$37,000 and \$90,000 per year, making these additional contributions reduces your tax and Medicare Levy by 34.5% of the contributions.

The tax that you will effectively pay in the Fund on these additional contributions is 15% of the contributions. The effective tax rate may be lower if your income is less than \$37,000 per year.

Employer contributions (including salary sacrifice contributions) and personal contributions you claim as a tax deduction are known as concessional contributions. Concessional contributions are usually taxed at 15% when paid into the Fund and are limited to \$25,000 per person per annum from 1 July 2019.

Since 1 July 2013, concessional contributions in excess of the limit can be transferred back to the member as taxable income.

Assessable Income Plus Salary Sacrifice Contributions Plus Reportable Fringe Benefits		Maximum Co-contribution Available	Contribution to Receive Maximum Co-contribution
\$ per year	\$ per week	\$ per year	\$ per year
38,564 or less	742 or less	500	1,000
41,564	799	400	800
44,564	857	300	600
47,564	915	200	400
50,564	972	100	200
53,564 or more	1,030 or more	0	0

## Financial summary

This is a summary of the Fund's audited accounts for the year ended 30 June 2019. You can request a copy of the audited accounts and auditor's report from the Fund Office.

### Statement of financial position as at 30 June 2019

	2019	2018
<b>Assets</b>		
Investments	870,933,021	840,974,778
Other Assets	43,090,874	19,005,985
<b>Total Assets</b>	<b>914,023,895</b>	<b>859,980,763</b>
<b>less</b>		
<b>Liabilities</b>		
Benefits Payable	2,525,000	2,425,000
Other Liabilities	28,998,082	26,692,703
<b>Total Liabilities</b>	<b>31,523,082</b>	<b>29,117,703</b>
<b>equals</b>		
<b>Net assets available for member benefits at 30 June</b>	<b>882,500,813</b>	<b>830,863,060</b>
Allocated to Members' Accounts	876,851,494	826,495,138
General Death Benefit Reserve	1,350,000	800,000
Operational Risk Reserve	2,800,000	2,600,000
General Property Reserve	750,000	500,000
Unallocated to Members' Accounts	749,319	467,922

### Changes in the net assets for the year ended 30 June 2019

	2019	2018
<b>Net assets at the beginning of the year</b>	<b>830,863,060</b>	<b>770,351,702</b>
<b>plus</b>		
Net investment revenue	72,168,160	83,147,201
Employer contributions	47,347,948	46,080,923
Member contributions	2,383,753	2,732,654
Government co-contributions, LISC's and LISTOs	538,932	682,129
Transfers from other superannuation funds	12,103,033	8,949,570
Insurance proceeds (death, Terminal Illness and TPD)	6,070,000	6,380,000
Other revenue	940,060	870,189
<b>Total revenue</b>	<b>141,551,886</b>	<b>148,842,666</b>
<b>less</b>		
Benefits paid and payable (including transfers to other funds)	70,577,005	68,089,857
Death, Terminal Illness and TPD insurance premiums	7,782,229	7,074,983
General administration expenses	2,132,948	2,098,943
Income tax expense	9,421,951	11,067,525
<b>Total expenses and benefits paid</b>	<b>89,914,133</b>	<b>88,331,308</b>
<b>equals</b>		
<b>Net assets available for member benefits at 30 June</b>	<b>882,500,813</b>	<b>830,863,060</b>

# How your super is invested

## Member investment choice

Up until 31 January 2009, the Fund did not offer investment choice to members. All of the Fund's assets were invested in accordance with the investment objectives and strategy for the "Trustee Option".

With effect from 31 January 2009, the Fund has offered Main section members an investment choice, which is referred to as the "High Growth Option". More details are shown on pages 12 and 13. You can elect to have all or part of your account invested in this option. You have the opportunity to switch into or out of the option twice a year, with effect from 30 June and 31 December. Any choice you make will apply to your current account balance and your future contributions.

If you switch between the Fund's two investment options, you will be allocated the earnings for your new option from the date the switch takes effect.

**If you wish to make an investment choice, you need to complete section 4 of the Member Super Choices form and return it to the Fund at least one week before the switch date. There is a copy of the form distributed with this Annual Report or in the "Member Forms" section of our website [miesf.com.au](http://miesf.com.au)**

From 1 January 2014, the Trustee Option for Accumulation Members (members in the Main and Spouse sections of the Fund) was renamed as MIESF MySuper. The Fund's Pension section members are invested in the Trustee Option which has the same investments as MIESF MySuper.

**MIESF MySuper is the default investment option for the Fund. Accumulation Members not electing to invest part or all of their account in the High Growth Option have their entire account balance invested in MIESF MySuper.**



## The Fund's investments

### Guidelines for investing

The Trustee of your Fund has an Investment Governance Framework (IGF) that sets investment objectives and strategy covering how the Fund's assets for each option will be invested. Having an objective and strategy is required by law but it also helps ensure your Fund aims for strong long-term investment returns while maintaining an acceptable level of risk. The IGF also covers other investment-related matters, such as regular independent valuations of investments and thorough due diligence of investment managers. A copy of your Fund's Investment Governance Framework is available on request.

### Investment philosophy

The Trustee's investment philosophy underpins its investment strategy and decisions for both investment options.

The Trustee believes that MIESF provides investment value-add to members by generating higher after-fee returns and higher risk-adjusted returns.

- The Fund provides a bigger governance budget than individual members could afford,
- The Fund uses the fee budget more effectively through its scale than an individual member could, and
- The Fund achieves greater diversification than an individual member is likely to achieve.

# Investment objectives, strategy and performance of MIESF MySuper

## Investment objectives for MIESF MySuper

The aim of MIESF MySuper (and the Trustee Option) is to ensure the security of your retirement money and to provide a reasonable rate of return above bank rates of interest over the medium and long-term without taking undue financial risk. This is based on the Trustee's belief that members have a strong need to achieve a positive earnings rate each year.

In order to achieve this aim, the following investment objectives have been established for MIESF MySuper:

- Avoid a loss; that is to be in a position to declare a positive rate of return for each year ending 30 June (the short-term return objective); and
- Beat inflation; that is to achieve a rate of return, which exceeds the rate of inflation (as measured by the CPI) by at least 2% per annum, after allowance has been made for tax and investment costs, over rolling ten-year periods measured at each 30 June (the long-term return objective).

**Please note that the investment objectives are neither a forecast nor a guarantee of future performance.**

The Trustee reviews these objectives annually to ensure that they continue to be appropriate for MIESF's members. The review considers different aspects of MIESF's membership such as member ages and average balances.

The Trustee has developed an investment strategy which it considers is likely to allow MIESF MySuper to achieve its investment objectives over the indicated timeframes. There is the risk that as market conditions change, the investment objectives may not be achieved. Investment markets can both rise and fall, and for this reason a positive return cannot be guaranteed. The investment objectives had been achieved by the Fund each year for more than 25 years until, unfortunately, the short-term return objective to avoid a loss was not met during the tumultuous financial markets downturn experienced in 2007/08 and 2008/09. Since then, MIESF MySuper has again delivered positive returns each year.

There is an industry-wide "Standard Risk Measure" which measures the estimated number of negative annual returns over any 20 year period. This has been calculated at 2.6 for MIESF MySuper and the Trustee Option. The Standard Risk Measure covers seven Risk Bands/Risk Labels from 1 (very low risk) to 7 (very high risk). The Risk Band for MIESF MySuper and the Trustee Option is 4 (medium risk).

The general risks of investing through superannuation are set out in the Fund's Product Disclosure Statements.

## Investment strategy for MIESF MySuper

In order to achieve its investment objectives, the Trustee invests the Fund's assets in a number of different asset classes including Australian and overseas shares, property, private equity, infrastructure, fixed interest and cash. The Trustee sets the investment strategy in the interests of members and members cannot select the underlying investments.

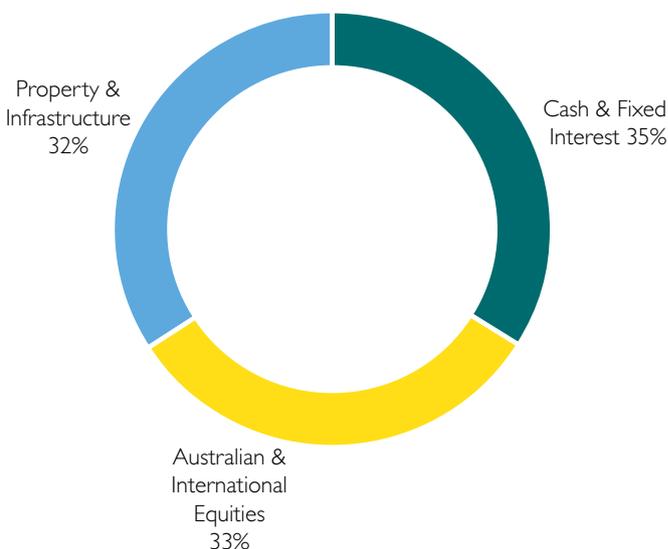
In establishing the investment strategy for MIESF MySuper, the Trustee groups asset classes by return drivers and risk attributes. Each asset group plays a different role in a diversified portfolio. The three asset groups in your portfolio are:

- "Equities" (Australian shares, international shares and private equity) which are expected to provide returns in excess of cash and inflation;
- "Real assets" (property and infrastructure) which are expected to diversify equity risk in a portfolio and provide long-horizon income returns that are less sensitive to inflation risk; and
- "Interest-bearing assets" (fixed interest and cash) which are expected to diversify equity risk in a portfolio, dampen volatility and provide liquidity.

The investment strategy sets a mix of these asset groups to give a broad exposure to different risk drivers, countries, currencies, underlying businesses and types of assets. The aim of having a broad mix is to get positive returns but, at the same time, make the investment portfolio more resilient to economic and financial market shocks and so provide less volatile returns to members.

The Trustee regularly reviews the investment strategy, taking into account the current and expected market conditions, and changes to the investment mix are made when necessary. The Trustee Board or its Investment Committee usually meets every month to review the investment portfolio and consider the state of the economy and financial markets in Australia and overseas.

### Target Asset Allocation as at 30 June 2019



The following table shows the allowable range and target allocations for each asset class in MIESF MySuper effective from 30 June 2019. It also shows the actual allocations as at 30 June 2018 and 30 June 2019. The allowable range and target allocations have not changed since 30 June 2016.

	Min %	Target %	Max %	2019 %	2018 %
Australian Shares	5	15	25	19	20
International Shares	5	15	25	17	16
Private Equity	0	3	5	2	1
<b>Equities</b>	<b>13</b>	<b>33</b>	<b>53</b>	<b>38</b>	<b>37</b>
Property	12	22	32	24	24
Infrastructure	0	10	20	7	8
<b>Real Assets</b>	<b>12</b>	<b>32</b>	<b>52</b>	<b>31</b>	<b>32</b>
Fixed Interest	5	25	45	17	17
Cash	5	10	30	14	14
<b>Interest-bearing Assets</b>	<b>15</b>	<b>35</b>	<b>55</b>	<b>31</b>	<b>31</b>
<b>Total</b>		<b>100</b>		<b>100</b>	<b>100</b>



### Investment performance of MIESF MySuper

The following table shows the annual effective rate of net earnings, after tax and investment costs, allocated to members' accounts over the past ten years.

Year ended 30 June	Rate allocated to Main and Spouse section accounts %	Rate allocated to Pension section accounts %
2019	8.3	9.5
2018	10.4	11.5
2017	9.4	10.3
2016	5.8	6.3
2015	6.3	7.2
2014	11.5	12.6
2013	14.2	15.6
2012	2.2	2.4
2011	7.5	8.5
2010	8.3	8.3
5-year compound average p.a.	8.0	8.9
10-year compound average p.a.	8.3	9.2

During the year ended 30 June 2019, the earnings rates allocated to Main and Spouse section accounts invested in MIESF MySuper were:

01/07/2018 – 31/12/2018 -1.8% p.a. (-0.9% for 6 months)

01/01/2019 – 30/06/2019 18.7% p.a. (9.3% for 6 months)

The compound effect of applying -1.8% p.a. for 184 days and 18.7% p.a. for 181 days is 8.3% for the year.

**The earnings rates allocated to Transition to Retirement pensions are the same as the MIESF MySuper rates from 1 July 2017 onwards.**

The earnings rates allocated to other Pension section accounts were:

01/07/2018 – 31/12/2018 -1.8% p.a. (-0.9% for 6 months)

01/01/2019 – 30/06/2019 21.2% p.a. (10.5% for 6 months)

The compound effect is 9.5% for the year.

The average increase in inflation, as measured by the CPI, for the 10 years ended 30 June 2019 was 2.1% per annum. **MIESF MySuper has met its long-term return objective by delivering a return of 8.3% per annum which was 4.2% per annum higher than the rate of inflation (as measured by the CPI) plus 2% per annum.**

MIESF MySuper has a history of providing good returns from a conservative investment strategy with lower exposure to shares than most other superannuation funds. However, you should be aware that past performance is not a guide to future performance.

# Investment objectives, strategy and performance of the High Growth Option

## Investment objectives for the High Growth Option

The aim of this investment option is to provide Main section members with an exposure to Australian and International Shares of around 90%. This option is designed to deliver higher long term returns to members by investing in a portfolio of predominantly growth assets with minimal defensive asset exposure. It is likely to experience significantly higher volatility than MIESF MySuper. This option may be suitable for those members who can tolerate a higher degree of risk and are prepared to have an investment horizon of at least five to seven years.

The investment objectives of the High Growth Option are:

- Provide capital growth over rolling seven-year periods measured at each 30 June; and
- Beat inflation; that is to achieve a rate of return, which exceeds the rate of inflation (as measured by the CPI) by at least 4% per annum, after allowance has been made for tax and investment costs, over rolling ten-year periods measured at each 30 June (the long-term return objective); and
- Achieve a total return, after allowance has been made for tax and investment costs, that is greater than the median (middle-ranking) return of "growth" investment options in the SelectingSuper survey over rolling five-year periods measured at each 30 June.

There is an industry-wide "Standard Risk Measure" which measures the estimated number of negative annual returns over any 20 year period. This has been calculated at 4.0 for the High Growth Option. The Standard Risk Measure covers seven Risk Bands/Risk Labels from 1 (very low risk) to 7 (very high risk). The Risk Band for the High Growth Option is 6 (high risk).

## Investment strategy for the High Growth Option

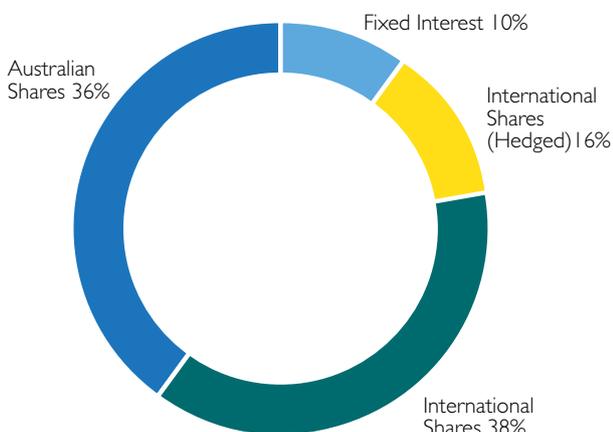
For the High Growth Option, the Trustee currently invests in the Vanguard® High Growth Index Fund. The Fund's Investment Committee and Trustee Board review the use of this fund from time to time and may vary this investment at their discretion. The Trustee sets the investment strategy in the interests of members and members cannot select the underlying investments.

The following table shows the allowable range and target allocations for each asset class in the High Growth Option effective from 30 June 2019. It also shows the actual allocations as at 30 June 2018 and 30 June 2019.

	Min %	Target %	Max %	2019 %	2018 %
Australian Shares	34	36	38	36	36
International Shares	34	38	42	38	38
International Shares (Hedged)	14	16	18	16	16
<b>Growth Assets</b>	<b>88</b>	<b>90</b>	<b>92</b>	<b>90</b>	<b>90</b>
Fixed Interest – Australian	1	3	5	3	3
Fixed Interest – International	5	7	8	7	7
<b>Income Assets</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>10</b>	<b>10</b>
<b>Total</b>		<b>100</b>		<b>100</b>	<b>100</b>

The allowable range and target allocations have not changed since late July 2017.

### Target Asset Allocation as at 30 June 2019



### Investment performance of the High Growth Option

The High Growth Option commenced from 31 January 2009.

The High Growth Option's annual effective rate of net earnings, after tax and investment costs, allocated to members' accounts in the ten years since 30 June 2009 are set out below.

Please note that past performance is not a reliable indication of future performance.

Year ended 30 June	Rate Allocated %
2019	9.2
2018	11.5
2017	10.8
2016	3.0
2015	12.9
2014	16.0
2013	21.7
2012	-0.8
2011	9.5
2010	10.6
5-year compound average p.a.	9.4
10-year compound average p.a.	10.3

During the year ended 30 June 2019 the earnings rates allocated to accounts in the High Growth Option were:

01/07/2018 – 31/12/2018 -10.1% p.a. (-5.1% for 6 months)

01/01/2019 – 30/06/2019 30.4% p.a. (15.1% for 6 months)

The compound effect of applying -10.1% p.a. for 184 days and 30.4% p.a. for 181 days is 9.2% for the year.

The High Growth Option has met its long-term return objective by delivering a return of 10.3% per annum which was 4.2% per annum higher than the rate of inflation plus 4% per annum for the 10 years ended 30 June 2019.



The High Growth Option also has met its objective to achieve a total return, after taxes and investment costs, that is greater than the median (middle-ranking) return of "growth" funds in the SelectingSuper survey over rolling five-year periods measured at each 30 June. The first measurement of this was for the five-year period ended 30 June 2014. The objective has been met for each five-year period since then as shown in the table below.

5 Years ended 30 June	High Growth Option return % p.a.	Median survey return % p.a.
2014	11.1	9.7
2015	11.6	9.7
2016	10.2	8.4
2017	12.7	11.2
2018	10.8	9.5
2019	9.4	8.0

# More about the Fund's investments

## The Fund's investment managers

The table below shows the proportions of the Fund's net assets as at 30 June 2019 and 30 June 2018 that were managed by external investment managers.

Investment manager or product	2019 %	2018 %
Hyperion Asset Management Limited	7.1	6.7
Perennial Value Management Limited	–	5.6
Legg Mason/Martin Currie Select Opp Fund	3.5	–
AB Managed Volatility Equities Fund	4.0	3.8
AB Concentrated Australian Equities Fund	1.9	1.4
Vanguard International Shares Index Fund	11.6	14.4
Vanguard Emerging Markets Index Fund	1.4	1.4
Pendal Concentrated Global Shares	3.4	–
Vanguard International Property Securities	1.0	1.0
GBS Ventures (Private Equity)	0.4	0.4
Hawkesbridge (Private Equity)	0.3	0.4
BioScience Managers (Private Equity)	1.3	0.5
Australian Unity Retail Property Fund	4.1	4.1
Folkestone CIB Fund (Property Trust)	5.7	5.7
AMP Diversified Property Fund	2.9	3.0
The Infrastructure Fund	7.2	8.2
MCP Diversified Aust Senior Loan Fund	4.2	3.1
Vanguard High Growth Index Fund	3.4	3.1
Total	63.4	62.8

The rest of the Fund's investing is undertaken and managed "in-house", rather than by external investment managers.

The table below shows the proportions of the Fund's net assets that were managed "in-house" as at 30 June 2019 and 30 June 2018, split by asset class.

Asset Class	2019 %	2018 %
Australian Shares	2.4	2.7
Direct Property	9.1	9.0
Fixed Interest	12.3	13.1
Cash	12.8	12.4
Total	36.6	37.2

Apart from the Australian equity portfolio managed by Hyperion, the Vanguard International Shares Index Fund, the Folkestone CIB Fund and The Infrastructure Fund referred to above, no individual investments by the Fund amounted to more than 5% of the Fund's net assets as at 30 June 2019.

## Use of derivatives

MIESF may use or invest in financial derivatives in two ways:

1. Investment managers may be permitted to use futures and options when investing in assets. Where this is the case, the manager provides the Trustee with an annual Derivative Risk Statement setting out the relevant policies, controls and usage of derivatives.
2. The Fund may make forward purchases or sales of currencies for hedging purposes so as to reduce the risks of its exposure to foreign currencies. The Trustee has a Derivative Risk Statement to govern its use of derivative securities. The Trustee did not enter into any currency hedge contracts during 2018/19.

The "derivatives charge ratio" (the percentage of the Fund's assets being used as security for derivative investments) did not exceed 5% of MIESF's assets at any time during the year.

## Environmental, Social and Governance considerations

The Trustee recognises that Environmental, Social and Governance considerations are consistent with its fiduciary duty under the Superannuation Industry (Supervision) Act 1993 to act in the best interests of beneficiaries at all times including to deliver sustainable long-term investment returns. More details can be seen in Section 5 of MIESF's "Additional Member Information Booklet" which is posted on [miesf.com.au/pds](http://miesf.com.au/pds)

In relation to property, the Trustee takes into account labour standards in the selection, retention and realisation of investments in the property sector. In particular, the Trustee requires that proper workplace agreements are in place and that appropriate Occupational Health and Safety standards are to be followed in respect of property development projects in which the Trustee makes a direct investment.

As an investor in shares, the Trustee is entitled to vote on various company-related matters, including corporate governance. MIESF's proxy voting policy and a summary of when (during the previous financial year) and how MIESF has exercised its voting rights in relation to shares in listed companies is published on our website in the section "Who Runs the Fund".

# Trustee

Your Fund is run by a Trustee company, Meat Industry Employees' Superannuation Fund Pty Ltd (ABN 58 005 793 199).

The Trustee ensures that your benefits are secure and that your rights as a member are protected. The Trustee must also provide you with regular information about your individual benefits and the ongoing management and financial condition of MIESF.

The Trustee is managed by a board of directors nominated by the AMIEU on behalf of members together with representatives of participating employers. Both groups may nominate up to 7 directors each to the Board. The current directors are listed below.

Chris White was appointed as independent chairperson on 7 February 2014.

More information about the Trustee's directors and management is available on our website in the section "Who Runs the Fund".

## Union Appointees

Paul Conway	Fund Secretary, Victorian Secretary, AMIEU
Patricia Fernandez	NSW Secretary, AMIEU
Matt Journeaux	Queensland Secretary, AMIEU

## Employer Appointees

Kent Dickens	Fletcher International
Robert Jackson	Klipspringer Pty Ltd
Bruce Ede	WAMMCO

Robert Slimmon resigned as a director on 7 August 2018.

The Trustee is subject to its governing legal document, the trust deed, and super laws. The Fund's trust deed was most recently amended on 28 June 2013 and 9 September 2013. You can see a copy on our website.

The Trustee operates the Fund in compliance with provisions of its trust deed and rules and all relevant legal requirements. The main laws which the Trustee is required to comply with are the *Superannuation Industry (Supervision) Act 1993* and the *Corporations Act 2001*. No penalties have ever been imposed on the Trustee.

The Trustee takes out indemnity insurance on behalf of itself, its directors and employees and your Fund as part of standard prudent business practice. The cost of this insurance is met by the Fund.

The Australian Prudential Regulation Authority (APRA) has approved the Trustee as a holder of a Registrable Superannuation Entity Licence (L0001434) and also to provide MIESF MySuper for its members.

The Australian Securities and Investments Commission (ASIC) has granted the Trustee an Australian Financial Services Licence (AFSL 239953).

The Trustee has a Board Renewal Policy which sets out the rules for the appointment and removal of the Fund's Trustee directors. A copy of this Policy is available on our website.

## The MIESF Management Team

The MIESF management team runs the Fund on a day-to-day basis, assisted by the Fund's service providers.

Bill McRobert	Fund Manager
Chris Salamousas	Fund Accountant
Tracey Dunstone	Administration Manager
Chris Artis	Chief Investment Officer
Lucy Torrens	Systems Manager
Theo Retsinas	Field Officer
Lisa Saunders	Risk Manager

## Service Providers

PricewaterhouseCoopers	External Auditor
Ernst & Young	Internal Auditor
JP Morgan Chase Bank	Custodian
TAL Life Limited	Insurer
Holding Redlich	Legal Advisers
SuperChoice	Clearing House

## Australasian Meat Industry Employees' Union offices

Victoria	(03) 9662 3766
New South Wales	(02) 9893 9011
Northern NSW (Newcastle)	(02) 4929 5496
Queensland: Brisbane	(07) 3217 3766
South Australia	(08) 8274 4100
Western Australia	(08) 8274 4100
Tasmania	(03) 6331 7233

# Management and investment costs

## Costs are carefully managed

The costs of running the Fund are managed carefully. This section shows fees and other costs you may be charged. These fees and costs may be deducted from your account balance or from the returns on your investment, or from the Fund's assets as a whole.

You need to take into account the impact of tax and insurance costs as well.

You should read all the information about fees and costs because it is important to understand their impact on your investment. The Fund's Product Disclosure Statements have more information. The information can be used to compare our fees with similar funds.

### Fees and other costs for MIESF MySuper and the High Growth Option

Type Of Fee Or Cost	Amount	How and when paid
Investment fee	MIESF MySuper - 0.45%* High Growth Option - 0.35%**	These costs come out of the investment option's before-tax earnings before determining the earnings rates.
Administration fees	\$122.35 per year (\$2.35 per week) Plus 0.10% indirect expense recovery fee per year	The net of tax cost of \$104 is deducted from your account balance at 30 June each year or pro rata of \$2.00 per week at your date of exit from the Fund.***  This cost comes out of the investment option's before-tax earnings before determining the earnings rates.
Buy - sell spread	Nil	
Switching fee	Nil	
Advice fees	Nil	
Other fees and costs		Go to <a href="http://miesf.com.au/pds">miesf.com.au/pds</a> and read section 6 in MIESF's "Additional Member Information Booklet."
Indirect Cost Ratio	Nil	

**There are no establishment, contribution or withdrawal fees. MIESF does not pay fees or commissions to financial advisers and our fees are not negotiable.**

\* The percentage is based on the average net assets of the Fund, excluding the High Growth Option's assets for the year ended 30 June 2019 and reflects investment costs for the 2018/19 financial year. These costs include investment management fees paid to external investment managers, the Fund's custodian and investment advisers. These costs also include transactional and operational costs of 0.09%. The cost of MIESF staff involved in managing the Fund's investments is also included. These costs reduce the return that would otherwise have been allocated to your account. The investment management fees paid to a manager may include performance related fees when the investment return exceeds an agreed benchmark. For the year ended 30 June 2019 these performance related fees amounted to 0.04% out of the 0.45% shown above.

\*\* The costs include transactional and operational costs of 0.06%.

\*\*\* If your account balance is less than \$5,200 at 30 June 2020, the fee deducted will reduce to 2% of your account. Pro rata deductions apply if you have not been a member of the Fund for the whole year or if you exit the Fund during the year.

### Fee increases

The Trustee has the right to increase fees and charges without requiring your consent, provided at least 30 days' notice is given to members before any material increase takes effect.

### Tax

Any tax deductions obtained by the Fund are passed onto members by either increasing the Fund's total assets or reducing the deductions from members' accounts for administration costs and the cost of insurance cover.

### Family law fees apply as described below

An application for information (i.e. benefit valuation) by a non member in the format specified under the Family Law Act will cost \$200 plus GST. This cost will not be paid out of the Fund. It is charged by the Fund's administrator and payable by the person making the request at the time the request is made. Members pay no fee for the provision of this information.

For more information about how family law legislation applies to superannuation, you can contact the Fund Office.

# Insurance

## Insurance Cover costs for the year ended June 2019

The cost of the Death, Terminal Illness and Total and Permanent Disablement insurance cover to the Trustee was \$7.61 per insured member per week. The Fund paid the Insurer monthly and recouped the net of tax cost from eligible members at the rate of \$6.47 per week. This cost was deducted from the account of each insured member as follows:

- a) For members in the Fund for the whole year ended 30 June, the deduction was \$168.22 at 31 December and \$168.22 at 30 June;
- b) For members leaving the Fund, the deduction was a pro rata amount of the \$336.44 annual cost based on the number of days as a member of the Fund that year;
- c) For members joining the Fund, the deduction was a pro rata amount of the \$168.22 half yearly cost based on the number of days as a member of the Fund during each half year.

## Cost of insurance has changed from 1 July 2019

The cost of the insurance cover from 1 July 2019 depends on the age of the member and the amount of cover.

More details on the insurance cover are available in the Fund's Insurance Booklet dated 1 July 2019 which can be seen online at [miesf.com.au/pds](http://miesf.com.au/pds). The various cover restrictions are explained on pages 3 and 4 of the Insurance Booklet.

As described on page 6 of this Annual Report, many members no longer have insurance cover because the Fund has not received an amount on their behalf for a continuous period of 16 months. Members with insurance cover can make a choice about their insurance by completing section 2 of the Member Super Choices form. There is a copy of the form distributed with this Annual Report or in the "Member Forms" section of our website [miesf.com.au](http://miesf.com.au)

Page 1 of the Insurance Booklet provides information on opting out of the insurance cover.

## Who gets your super if you die?

The Fund pays approximately 50 death benefits per year.

The Trustee can decide to pay your death benefit to one or more of your dependants. If the Trustee decides you have no dependants, payment can be made to your legal personal representative who is administering your Estate.

If the Trustee is reasonably satisfied that you have no legal personal representative, the benefit may be paid to one or more individuals as determined by the Trustee.

Under the Fund's Trust Deed, the definition of dependant includes:

- Your **spouse** (including defacto spouse);
- Your **children of any age**, (including a step child, ex-nuptial child or adopted child, or a child born after your death);
- Any person with whom you had an **interdependency relationship** as defined by Superannuation Law; and
- Any other person who was wholly or partially **financially dependent** on you at the time of death or had a legal right to look to you for financial support.

An interdependency relationship exists between two people if they live together in a close personal relationship and one or each of them provides the other with financial and domestic support.

**By completing section 3 of the Member Super Choices form, you have the opportunity to advise the Trustee which dependants you wish to receive your death benefit. There is a copy of the form distributed with this Annual Report if you wish to complete it and send it back to the Fund.**

Your nominations are not legally binding on the Trustee but will act as a guide. In accordance with the Trust Deed, the Trustee has the absolute discretion to determine the benefit shares and proportions.

## Special tax treatment

Investing in superannuation can be an effective way to save because superannuation fund earnings are taxed at a lower rate than many other forms of investment. To get this tax advantage, your Fund must operate according to a strict set of laws.

To show that your Fund has followed these laws, the Trustee lodges returns each year with the Australian Prudential Regulation Authority.

The Trustee is unaware of any event that occurred during the year that would affect this special tax treatment.

## More about MIESF

### How your benefit works

MIESF is an industry fund open to all workers in the meat industry and employees of other participating employers. It is managed by a Trustee Board with equal representatives of the Union and employers and an independent chairperson. All earnings belong to the members and are allocated accordingly. MIESF is a regulated superannuation fund. This means that it is subject to government regulations and can accept rollovers from other superannuation funds.

MIESF provides benefits for you and your dependants. Money that is contributed either by your employer or yourself is invested to provide your benefits. Some benefits are paid from insurance proceeds.

The Fund operates on an accumulation basis whereby the benefits are based on the balance of your account when you leave MIESF. You can receive your benefits as a lump sum or as an income stream from the Pension section of the Fund.

Investment earnings are allocated to your account each year either at the time of benefit payment at the interim earnings rates or at the end of the financial year at MIESF's declared earnings rates. The earnings rates for each of the two investment options are determined by the Trustee and take into account both the cash earnings and movements in the market value of assets. As a result, the earnings rates may be either positive or negative. The declared earnings rates are net of tax and any investment related fees and allow for any adjustments to reserves. The calculation of the earnings rates, and their crediting or debiting to members' accounts, is usually done in October each year and is based on two half-yearly amounts. For information about your personal benefits, the earnings rates and entitlements in MIESF, please refer to your Annual Benefit Statement.

### Planning to leave?

If you leave MIESF before the next earnings rates are declared, your account will be credited or debited with the interim earnings rate(s) in your chosen investment option(s). They will apply for the period from the 30 June at which the last annual allocation of earnings was made. These interim earnings rates are based on the Trustee's expectations of the Fund's investment earnings for each investment option for that period. The rates are reviewed at least weekly.

Subject to satisfying the eligibility conditions, benefits may be withdrawn at any time during the year. Cheques are drawn every second week, but members are advised to check with the Fund Office before submitting their paperwork. You will be required to provide proof of identity when claiming a benefit. This is due to the increasing incidence of identity fraud in the community. Benefits are transferred to other large superannuation funds (rollovers) twice a week.

### Remember to claim your benefit

If you are about to leave work and want to take your super, make sure you contact the Fund Office promptly about your benefit payment.

Instead of transferring your benefit out of MIESF, you can remain a member; however, it is important to make sure that we don't lose track of you.

Superannuation funds (including the Fund) must transfer a member's account balance to the Australian Taxation Office if it is "unclaimed money".

The circumstances in which your account balance will be treated as unclaimed money include if:

- you have reached age 65; and
- the Fund has not received an amount in respect of you for at least 2 years; and
- after the end of the 5 years since the Fund last had contact with you, the Fund has been unable to contact you again after making reasonable efforts;

OR

- there has been no activity on your account for the past 12 months and the Fund has insufficient records to identify you;

OR

- the Fund has not received contributions or a rollover for at least 12 months and two written communications have been returned unclaimed and the Trustee believes that it will never be possible to find you;

OR

- your account balance is less than \$6,000 and the Fund has not received contributions or a rollover for at least 16 months and you have not elected to have insurance cover and you have not contacted the Fund to confirm you wish to remain a member of the Fund.

**If you wish to request that your benefit remain in the Fund and that you be permanently excluded from being treated as a lost or inactive member, please contact us at the address at the back of this Annual Report.**

Also, if we made a benefit payment by cheque and the benefit payment cheque is not presented, the benefit amount will eventually be transferred to the ATO.

Under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999, the Fund may also be required to pay a former temporary resident's benefit to the ATO if more than 6 months has passed since the person left Australia. We do not provide an exit statement in these circumstances (relying on relief issued by the Australian Securities and Investments Commission). Former temporary residents can contact us or the ATO directly to find out how to claim their benefit from the ATO. Former temporary residents have a right to claim their super from the ATO under the Government's unclaimed money legislation.

## Fund reserves

It is the Trustee's policy to distribute all investment earnings (or losses, if these should occur) after an allowance has been made for investment related costs, taxes and other expenses and any adjustments to reserves. The money in the reserve accounts is invested in accordance with the investment strategy for MIESF MySuper described on page 10. Any earnings on reserve accounts that are not included in the adjusted reserve account amount at each 30 June become part of the Fund's earnings to be distributed to members.

MIESF has set aside \$2.8 million as at 30 June 2019 to meet its Operational Risk Financial Requirement. This is a statutory requirement to provide funding for potential losses incurred as a result of operational risks (not including investment or market risks).

There is also a General Death Benefit Reserve to meet costs arising from deaths that occurred prior to 1 July 2013 that have not yet been notified to the Fund. Prior to 1 July 2013, the Death Cover was self-insured by MIESF. This reserve is also available to support the Death, Terminal Illness and TPD insurance arrangements which commenced on 1 July 2013.

MIESF also holds a minimal reserve which represents the unallocated portion of the Fund's assets. The unallocated assets are available to finance the costs of operating the Fund that are not met by deductions from members' accounts or the rate of earnings credited (or debited).

The table below shows MIESF's reserves over the last three years.

Balance Date	Unallocated Assets \$	% of Net Assets	General Death Benefit Reserve \$	Op. Risk Reserve \$
30/06/19	749,319	0.08	1,350,000	2,800,000
30/06/18	467,922	0.06	800,000	2,600,000
30/06/17	537,985	0.07	800,000	2,400,000
30/06/16	695,157	0.10	1,300,000	2,200,000

There was also a Property Management Reserve held to meet future property maintenance and repair costs. It was: \$750,000 as at 30 June 2016; \$500,000 as at 30 June 2017 and 30 June 2018; and \$750,000 as at 30 June 2019.

## Protecting your privacy

Your Fund holds personal information about you, such as your name, address, date of birth and tax file number, in order to provide your super benefits. This personal information may be disclosed as necessary to the Fund's administrator and professional advisers, insurers, government bodies, employers and other parties.

The Fund has a Privacy Policy that sets out in more detail the way your personal information is handled. A copy of the Fund's Privacy Policy is available on our website.

## Like to know more?

As a member of the Fund, you should already have a Product Disclosure Statement containing information about your benefits and rules governing the Fund. You also receive an Annual Benefit Statement containing important personal information about your benefits in the Fund.

Other documents relating to the Fund that are available for you to look at include the following:

- trust deed
- investment governance framework
- latest audited accounts and auditor's report
- board renewal policy
- enquiries and complaints procedure

If you have a question about your benefits in the Fund, please contact the Fund Office. Please note that none of the Trustee, its directors and the Fund Office is able to give any personal financial advice relating to your own circumstances.

## Enquiries and complaints service

The Trustee provides an enquiry and complaints procedure for members. Through this service, you may make a general enquiry about your superannuation benefits or the operation of the Fund as it affects you, or make a complaint if you are dissatisfied about some aspect of your membership or benefits.

To make an enquiry or complaint, you should contact the Fund.

The Trustee prefers that all complaints and complex enquiries be in writing, so that the exact nature of your concern is clear. However you may make an enquiry or complaint by letter, telephone, email or in person.

Under Government legislation, the Trustee is given 90 days in which to respond to your enquiry or complaint. However, a response will generally be given to you sooner.

The Trustee always seeks to resolve complaints to the satisfaction of all concerned and in the best interests of all members of the Fund. However, if you have followed the steps outlined above and are not satisfied with the outcome, you may be able to take the matter to the Australian Financial Complaints Authority, or AFCA. The AFCA provides fair and independent financial services complaint resolution that is free to customers.

Any complaints must be lodged with the AFCA within certain time limits. For more information about requirements and time limits, you can call the Fund Office or the AFCA on 1800 931 678.

If the AFCA accepts your complaint, it will try and help you and the Fund reach a mutual agreement through conciliation. If conciliation is unsuccessful, the complaint is referred to the AFCA for a determination that is binding.

You can read more information about this at [miesf.com.au/pds](http://miesf.com.au/pds) in section 9 of MIESF's "Additional Member Information Booklet."

# Overview of MIESF at 30 June 2019

## Very competitive crediting rates for the year ended 30 June 2019

MIESF MySuper	8.3%	Retired Pensioners	9.5%
High Growth Option	9.2%	Transition to Retirement Pensioners	8.3%

Please note that past investment performance is not a reliable indicator of future performance.

## MIESF's management and investment costs are low

They are **amongst the lowest** of all superannuation funds in Australia. Full details are provided on page 16.

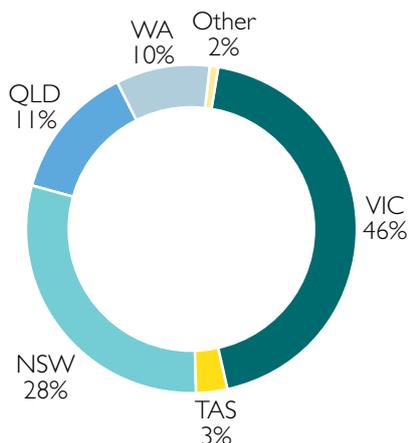
## Death, Terminal Illness and Total and Permanent Disablement Insurance Cover

- This is provided to MIESF's eligible members. Further details are provided on pages 2 and 17.
- **\$200,000 death cover to age 55 and \$100,000 death cover for ages 55 to 64 inclusive.**
- \$6.1 million of insurance benefits were paid in 2018/19.

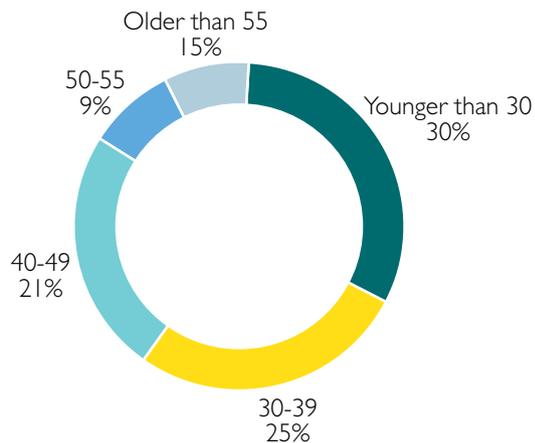
## Membership, benefits and assets

- \$883 million of net assets.
- **MIESF was established over 35 years ago by the Australasian Meat Industry Employees Union.**
- \$70.6 million of benefits were paid in 2018/19.
- **MIESF is your industry fund that returns all of its profits to members.**
- Around 2,350 employers used MIESF in 2018/19 for one or more employees.
- **MIESF had 21,800 members as at 30 June 2019 and 77% of them are males and 23% are females. They live all around Australia and their location and age profile is shown below.**

### Members by location



### Members by age



## How to contact us

Administration Officer  
Meat Industry Employees' Superannuation Fund  
2nd floor, 62 Lygon Street  
CARLTON SOUTH VIC 3053

Telephone: 1800 252 099 or (03) 9662 3861 (for callers from mobile phones)  
Fax: (03) 9662 2430  
Email: [fundadmin@miesf.com.au](mailto:fundadmin@miesf.com.au) Website: [www.miesf.com.au](http://www.miesf.com.au)



**MEAT INDUSTRY EMPLOYEES'  
SUPERANNUATION FUND**