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ARTS



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



media super

Guiding you through life

Super & Super Pensions

AWARD WINNERS



Annual report
2010-11

Need financial advice?

But not sure where to look...

Media Super's friendly and experienced consultants are available via telephone to assist you with your super questions.

If you need more complex advice, we have financial planners to discuss and review your individual circumstances face-to-face.

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Caring for our environment

This booklet is printed on environmentally friendly paper.



Phone 1800 640 886

Weekdays from 8am to 7pm (AEST)

Don't forget, for a range of interactive tools and calculators, fund updates, and other resources to help you manage your super or pension, visit our Super Guide at mediasuper.com.au/SuperGuide

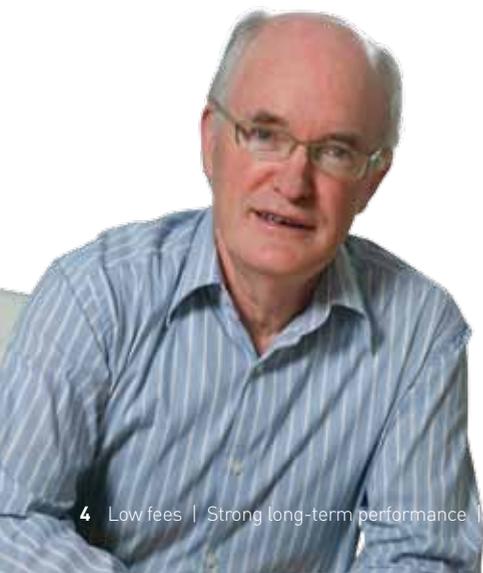
Disclaimer: This Annual Report 2010-11 issued by the Trustee of Media Super ABN 42 574 421 650, Media Super Limited, ABN 30 059 502 948, AFSL 230254 contains information of a general nature only. It has been prepared without taking into account your individual objectives, financial situation and particular needs. You should read the *Media Super Member Booklet (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

When the international share markets went into a spin in July and August this year, we issued a financial health warning, which went up immediately on Media Super's website.

The headline said simply: 'Watching the sharemarkets 24/7 at the moment is not good for your health.'

The warning noted that the financial gyrations had affected, in the short term, the balances of most investment, superannuation and pension accounts around the globe. But it also noted that the Australian economy, whilst not immune from the shockwaves washing back and forth across global investment and credit markets, was nevertheless among the strongest in the world.



The trick is to keep calm. Reacting to a short-term flurry in the markets can often be bad for your financial health. Like most industry superannuation funds, we offer investment choice. But it's noticeable that jumping into cash after a week or two of share market turmoil can mean that a fund member risks locking in the temporary losses and then misses out on any recovery.

It's a simple message, but one that's hard to observe.

Daily headlines, nightly news bulletins and alarmist commentary from supposedly informed analysts inevitably highlight the downturns in markets, but they don't often talk about the steady rises over time – far less arresting, but far more important for your financial health.

For instance, Media Super members who have been in the Fund since it began have earned, on average, 8.3 per cent each year over that time. And that includes each and every year of the difficult decade of the noughties – from 2001 to 2011.

Major falls in the markets become diluted over time. Two decades ago, in the late 1980s and early 1990s, I was editor of *The Australian Financial Review*. During that period, the paper covered the aftermath of the great 1987 stock market crash, which at the time was the largest single catastrophe facing the global financial markets since the great depression of the 1930s. In its wake, Australia went through 'the recession we had to have' in 1991 and 1992, by far the biggest contraction in the Australian financial and job markets for many decades.

At the time, it seemed like the end of the world as we knew it.

The longer term

Yet if you look at long-term graphs now, it's sometimes quite hard to pick out the downward spike on the performance tables, growing ever smaller as time washes away the importance of that earthquake which shook the global financial system.

The point is a simple one. This longer-term time horizon is a difficult one to keep in mind when the markets seem in perpetual turmoil.

If you're nearing retirement or are already a pension member – or even if you are concerned about your own super account as a result of market movements – it's probably time to seek sound financial advice about how you might structure your account. Media Super offers such advice services.

It is important to recognise that Australia's retirement savings system is both world-class and designed to accumulate over 40 years of a person's working life, not the latest three or four weeks or months.

Media Super deliberately invests in a range of investments, not just shares. We're invested in infrastructure, property, bonds and private equity investments as well Australian and overseas shares, and we keep cash on hand to manage the daily affairs of the Fund.

This diversification is the key to spreading investment risks while seeking to maximise returns for members over the longer term.

Gerard Noonan
Chair, Media Super



Gerard Noonan, Chair, and Ross Martin, Chief Executive Officer, Media Super.

Your 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 members and employers, as set out below. The Board appoints the Chair, and is made up of an equal number of employer and employee representatives, as well as one independent director.

Members of the Board at 30 June 2011:

Member representatives

Gerard Noonan (Chair), MEAA

Katrina Ford, AMWU
Printing Division

Stuart Gordon, AMWU
Printing Division

Lorraine Cassin, AMWU
Printing Division

Chris Warren, MEAA

Independent Director

Reg Emons

Employer representatives

Philip Andersen, PIAA
Dale Bridle, Fairfax Group
Alan Douglas, PIAA
Peter Halters, PIAA
Geoffrey Brown, SPAA

Chief Executive Officer

Ross Martin

The Trust Deed

Media Super Limited also manages the day-to-day administration of Media Super according to the Fund's Trust Deed, a legal document that details the rules and operating requirements for the Fund, including members' benefits.

Investments

Investment markets are extremely volatile at the time of writing. It is widely accepted that volatility alone is an inadequate measure of risk; however, it remains an important consideration for members.

This is the reason that Media Super aims to further diversify our pre-mixed investment options (the Balanced, Stable, Growth and High Growth Options) to reduce that volatility, without compromise to the overall performance of the portfolios.

The Balanced Option returned 7.8% for the financial year ending 30 June 2011. This is a solid result, the second year of positive performance since the impact of the Global Financial Crisis made its presence felt in 2008.

Performance

Throughout the financial year, the Australian share market performed strongly, at over 10%, with the smaller capitalisation stocks outperforming even this; while the fixed interest markets delivered stable returns in excess of the cash rate.

Core investments in infrastructure and direct property also performed well, in many cases delivering returns above 10%. Finally, international equities showed a flat performance when unhedged in Australian dollars, but this improved considerably where hedging was in place.

The most volatile component of the overall Media Super investment portfolio was Currency, as the Australian dollar appreciated strongly against many developed market currencies.

The investment environment is currently subject to all sorts of political considerations in Europe, the US and Australia.

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.

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 Trustees were assisted by their asset consultant Frontier Consulting, along with the internal investment team.

The Investment Committee is constantly monitoring and searching for better ways to deploy members' capital to minimise investment risks while maximising investment returns.

Looking ahead

Media Super's external managers themselves follow well-defined processes, in order to deliver up well-defined investment outcomes.

We have recently appointed two alternative equity managers in the Alpha Opportunities sector of many of the portfolios. This represents an opportunity to draw returns from share markets, but without the full volatility created by sudden market moves.

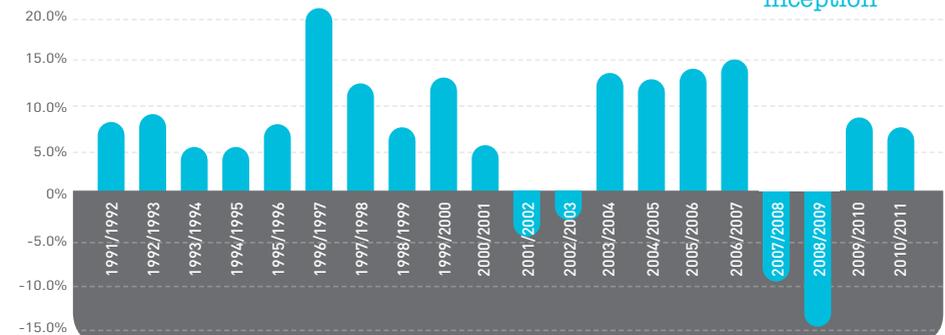
Finally, Media Super is a signatory to the United Nations Principles of Responsible Investing (UNPRI), which gives a framework over which the Fund intends to stretch its expanding commitment to Environmental, Social and Governance factors, as they may impact the risk and return profile of the portfolios.

In summary, a reasonable return for Fund members, with a challenging investment horizon for the year ahead.

Strong long-term investment performance

Balanced option - super

8.3%
per year since inception*



*Based on returns of Balanced investment option from 1 July 1987 to 30 June 2011, 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.

1991-2011

20 years of the Superannuation Guarantee

The Superannuation Guarantee (SG) announcement in the August 1991 Federal Budget marked one of the most significant social and economic reforms undertaken in contemporary Australia, and laid the groundwork for our universal superannuation system. The Budget Night announcement marked the first stage in the development of a modern retirement incomes framework to complement the existing Age Pension. Contributions were

initially set at 3% in 1992, with a staged increase up to the current 9% finally reached ten years later in July 2002.

Whilst the system has not yet reached full maturity, after 20 years of operation, the positive role of the SG – in building financial security and dignity in retirement, lifting national savings, and helping meet the demographic challenge of an aging population – is widely recognised.

Moving super from 9 to 12% by 2019

The 2010 Budget included a proposal for a phased increase in the level of SG contributions from 9% to 12% by 2019.

Media Super supports the passage of this legislation through the Parliament, and believes that a staged increase to the SG will further strengthen our retirement incomes system and benefit both current and future super fund members with a better standard of living in their retirement.

If you'd like more information about the campaign for 12% super, you can visit 12percent.com.au



NOW IS THE TIME
12PERCENT.COM.AU



Financial advice services

Fund members now have access to an integrated range of financial advice services. From specific enquiries about insurance or salary sacrifice to the development of a comprehensive retirement savings plan, Media Super can assist you.

For more comprehensive personal advice, they can provide you with a referral to meet face-to-face with one of our financial planners.

Financial planners ready to help

Media Super also has dedicated Fund-based financial planners available to meet with you in person. Together, you can discuss all your financial circumstances, review all aspects of your financial situation, and develop a comprehensive financial plan that will help you maximise your financial future.

For more information on financial planning, visit mediasuper.com.au or call **1800 640 886**.

Phone-based helpline

From 8am to 7pm (AEST) on weekdays, our new dedicated phone-based Helpline is available. Our highly trained telephone-based advisers can provide you with information and advice.

They can assist you with advice, including limited personal advice about contribution strategies, insurance and investment options available to you within Media Super.



Insurance cover for the events you can't plan!

How many of us really think about our financial security?

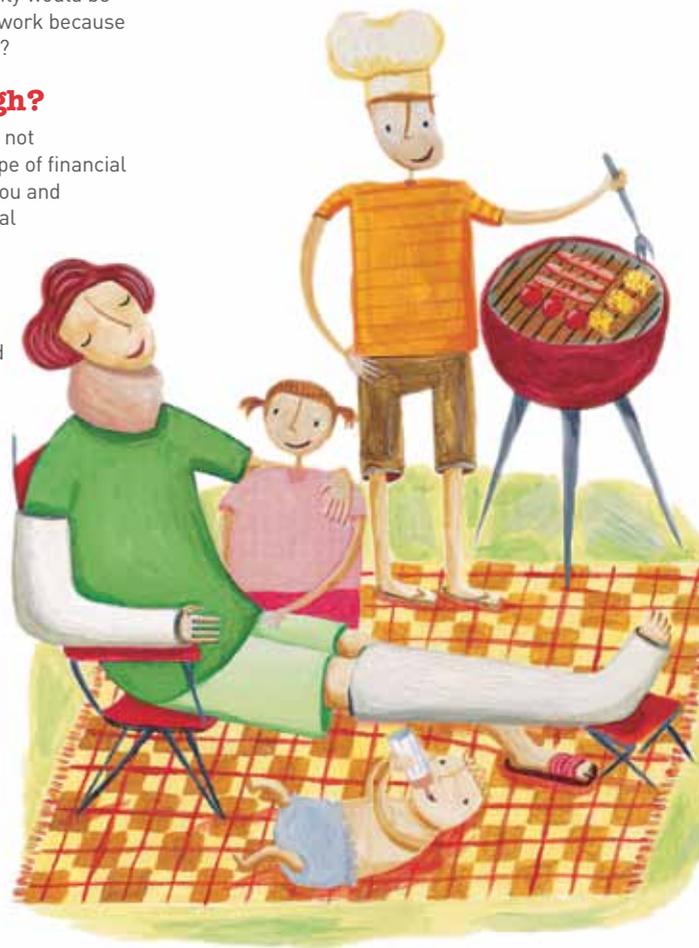
You may have some assets and a financial plan for your future, and your superannuation is building for your retirement, but have you considered how your plans and financial security would be affected if you were unable to work because of illness, injury or even death?

Have you got enough?

Many of us are not covered, or not adequately covered, for this type of financial crisis. Insurance can protect you and your family against the financial burden of such a crisis. Media Super offers flexible insurance cover that's tailored to the needs of our members to cover death or disability and provide income protection.

Cost-effective insurance is available

To find out more about cost effective insurance options, please contact our member helpline on **1800 640 886**.



Changes to pension drawdowns



If you have a Pension account with Media Super, your minimum annual pension payments must at least equal the minimum level set by the Government. This is calculated based on your age and your pension account balance as at 1 July each year.

For the past three years, the Government has provided relief to pensioners by temporarily halving the minimum drawdown requirement. The Government is now phasing out this temporary measure.

From 1 July 2011, the minimum requirement is set at 75% of the usual minimum, and the

requirement will return to normal on 1 July 2012. This means that Media Super pension members currently drawing last year's temporary minimum will need to increase their drawdown this year.

Need help?

If you are unsure how your pension payments are currently drawn down from your account, or would like to amend your payments for the remainder of the financial year, please contact our Helpline on **1800 640 886**.

Super Pension – minimum drawdown schedule

Age at 1 July	Percentage 2011-12	Normal Percentage
Under 65	3.00%	4.00%
65 – 74	3.75%	5.00%
75 – 79	4.50%	6.00%
80 – 84	5.25%	7.00%
85 – 89	6.75%	9.00%
90 – 94	8.25%	11.00%
95+	10.50%	14.00%

Diversity@work

To help minimise overall investment risk and maximise earnings, Media Super invests in a diverse range of industries and assets. Along with shares, property and cash, the Fund also has debt investments and an infrastructure portfolio. Here are some examples...

Local Film Production

Media Super provides a multi-million dollar revolving loan facility to Fulcrum Media Finance, which in turn provides cash flow loans for Australian films through the Australian Producer Offset. This investment

provides Fund members with a sound financial return. This landmark arrangement has helped support a range of local productions, including *The Hunter*, *Wish You Were Here* and *Drift*.

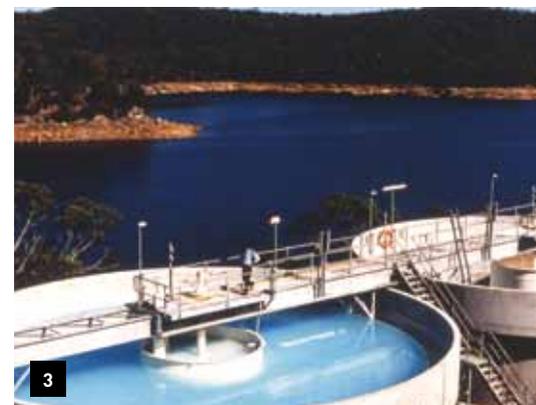
1 Sam Neil and Willem Dafoe in *The Hunter*, photo by Matt Nettherm. Copyright Hunter Film Productions.



1



2



3



4

Clean Energy

Through our portfolio with Industry Funds Management, Media Super invests in Pacific Hydro, one of the world's leading international producers of clean energy. Pacific Hydro generates power from multiple wind and hydro sites in Australia, Chile and Brazil.

Further wind and hydro projects are in the pipeline. The company is also part of a consortium developing the Moree Solar Farm in NSW, and is exploring the potential of geothermal energy sourced from central Australia.

Visit www.pacifichydro.com.au

2 Pangal River hydro, Chile. Photo copyright Pacific Hydro

Infrastructure

Media Super believes that long-term investment in stable infrastructure assets that provide steady returns are a good match for Fund members who are saving over long periods of time.

Strong infrastructure systems are a vital foundation of our economic wellbeing, and provide important community benefits.

The Fund invests in a series of domestic and international portfolios holding water, ports, energy & transport assets and social infrastructure.

3 Wyuna Water, NSW. Photo courtesy of IFM

4 Port of Brisbane, QLD. Photo courtesy of IFM

Your investment objectives & options

Our investment strategy

At Media Super we continually review the management of your investments, to ensure that we provide strong long-term performance.

We have reduced the Fund's exposure to Real Estate Investment Trusts (REITs) as we believe that better long-term returns are available from Direct Property investments, and transitioned the remaining REITs investments from active to passive management, to maintain returns at a reduced cost.

In the Australian Shares portfolio we completed our transition to individually managed accounts, which should enable us to make better risk assessment and provide more flexibility and greater control over our investments.

The Trustee has also decided to appoint a specialist manager within the Alpha Opportunities sector with a product which focuses on extracting additional returns from the Australian equity market, and a specialist manager within the Infrastructure sector with a focus on infrastructure debt.

Our objective

The mixed results across the major asset classes during the 2010–11 financial year highlighted the importance of portfolio diversification. Despite market turmoil, the fundamental principles of investing still apply – invest for the long term, diversify your investments, benefit from tax-effective strategies such as superannuation, and seek quality financial advice.

Our disciplined approach at Media Super aims to ensure that your funds are invested in a careful, measured and diversified manner to ensure strong long-term performance – enabling you, our members, to better achieve your retirement goals.

Take control of your future

Media Super's pre-mixed investment options have a mix of growth and defensive assets from a range of asset classes, including cash, fixed interest, shares and property. The single-asset investment options (as the name implies) are made up entirely of a single asset class.

You can select a strategy that suits your investment time frame, objectives and risk profile.

If at some future time your chosen investment strategy no longer suits your plans, you can switch to another strategy.

Mix and match

Media Super also lets you choose any mixture of pre-mixed and single-asset investment options to match your own investment strategy.

How do I switch options?

With Media Super you have the flexibility to make an investment choice at any time. As your personal or financial circumstances change, you can change your investment strategy accordingly.

Remember, when reviewing your options, it may be best to consult a financial adviser.

What if I don't make a choice?

If you do not make an investment choice your super will be automatically invested in our Balanced option, which is our 'default' option.

For more information about Media Super's objectives and investment options, including historical performance and how to make a choice, refer to the *Media Super Member Booklet (Product Disclosure Statement)* at mediasuper.com.au or call 1800 640 886.

Pre-mixed options

Balanced

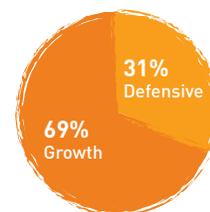
The 'default' option

Risk profile medium to high risk

Investment time horizon Medium to long (5–10 years)

Investment mix

Investment mix



Investment objectives

Over rolling five-year periods, having a 75% probability of achieving a member investment return equivalent to inflation* plus 3.5% per annum, and having a return that falls above the median in the SuperRatings survey (or equivalent) of comparable funds. The estimated chance that negative returns will occur in any financial year is less than 1 in 8.

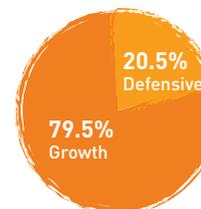
Growth

Risk profile high risk

Investment time horizon Long (10+ years)

Investment mix

Investment mix



Investment objectives

Over rolling five-year periods, having a 65% probability of achieving a member investment return equivalent to inflation* plus 4.5% per annum, and having a return that falls above the median in the SuperRatings survey (or equivalent) of comparable funds. The estimated chance that negative returns will occur in any financial year is less than 1 in 7.

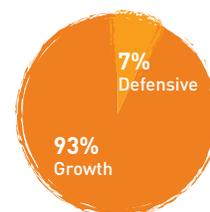
High Growth

Risk profile very high risk

Investment time horizon Very long (15+ years)

Investment mix

Investment mix



Investment objectives

Over rolling five-year periods, having a 65% probability of achieving a member investment return equivalent to inflation* plus 5% per annum, and having a return that falls above the median in the SuperRatings survey (or equivalent) of comparable funds. The estimated chance that negative returns will occur in any financial year is less than 1 in 6.

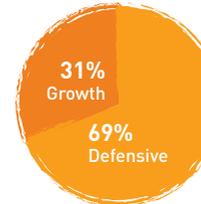
Stable

Risk profile Medium risk

Investment time horizon Short to medium (under 5 years)

Investment mix

Investment mix



Investment objectives

Over rolling five-year periods, having an 80% probability of achieving a member investment return equivalent to inflation* plus 2.5% per annum, and having a return that falls above the median in the SuperRatings survey (or equivalent) of comparable funds. The estimated chance that negative returns will occur in any financial year is less than 1 in 20.

Single asset options

Australian Shares

Risk profile

Very high risk

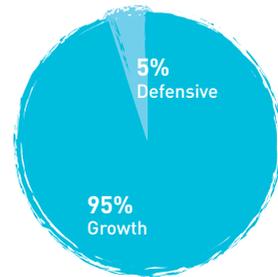
Investment time horizon

Very long (15+ years)

Investment objectives

Over rolling five-year periods, having a 60% probability of achieving a member investment return equivalent to inflation* plus 5% per annum, and having a return that falls above the median in the SuperRatings survey (or equivalent) of comparable funds. The estimated chance that negative returns will occur in any financial year is less than 1 in 4.

Asset allocation



Property

Risk profile

Medium to high risk

Investment time horizon

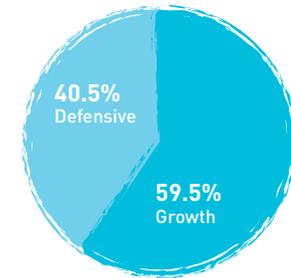
Long (10+ years)

Investment objectives

Over rolling five-year periods, having a 70% probability of achieving a member investment return equivalent to inflation* plus 3.5% per annum, and having a return that falls above the median in the SuperRatings survey (or equivalent) of comparable funds. The estimated chance that negative returns will occur in any financial year is less than 1 in 6.

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

Asset allocation



Overseas Shares

Risk profile

Very high risk

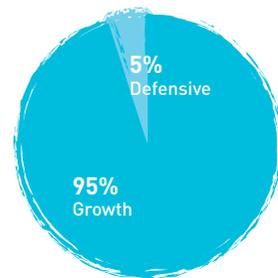
Investment time horizon

Very long (15+ years)

Investment objectives

Over rolling five-year periods, having a 55% probability of achieving a member investment return equivalent to inflation* plus 5% per annum, and having a return that falls above the median in the SuperRatings survey (or equivalent) of comparable funds. The estimated chance that negative returns will occur in any financial year is less than 1 in 4.

Asset allocation



Fixed Interest

Risk profile

Low to medium risk

Investment time horizon

Short to medium (under 5 years)

Investment objectives

Over rolling five-year periods, having a 65% probability of achieving a member investment return equivalent to inflation* plus 2% per annum, and having a return that falls above the median in the SuperRatings survey (or equivalent) of comparable funds. The estimated chance that negative returns will occur in any financial year is less than 1 in 20.

Asset allocation



Sustainable Future Shares

Risk profile

Very high risk

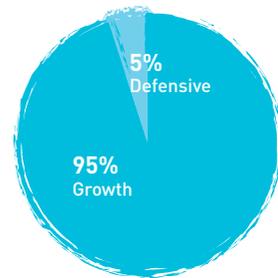
Investment time horizon

Very long (15+ years)

Investment objectives

Over rolling five-year periods, having a 60% probability of achieving a member investment return equivalent to inflation* plus 5% per annum, and having a return that falls above the median in the SuperRatings survey (or equivalent) of comparable funds. The estimated chance that negative returns will occur in any financial year is less than 1 in 4.

Asset allocation



Cash

Risk profile

Low risk

Investment time horizon

Short (under 1 year)

Investment objectives

Over rolling five-year periods, having a 100% probability of achieving a member investment return equivalent to inflation* plus 1% per annum, and having a return that falls above the median in the SuperRatings survey (or equivalent) of comparable funds. The estimated chance that negative returns will occur in any financial year is negligible.

Asset allocation



* As measured by the change in the Australian Consumer Price Index.

For your information

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 to: 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.

Eligible Rollover Fund

Generally, if you have less than \$1,000 in your Media Super account and we have not received a contribution from you in 12 months, or we have not been able to deliver at least two items of communication to you, we will transfer your account to AUSfund. AUSfund is an eligible rollover fund into which the accounts of lost super fund members or members with small accounts are transferred. 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. Read the *Media Super Member Booklet (PDS)* for more details.

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

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 company, where the Fund is found to have a liability for loss or damage suffered by a person to whom it provides a financial service.

Supplying your TFN

To avoid paying penalty tax on your super contributions, make sure that we have your tax file number (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 and the Flood levy as applicable) and we won't be able to accept any non-concessional contributions to your account. Plus, you will find it easier to locate your super if you supply your TFN.

Providing us with your TFN is easy: Phone **1800 640 886**, log on to the secure area of the website or download and complete a **Providing tax file number form** at mediasuper.com.au/forms and return it to us.

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 *Media Super Member Booklet* (Product Disclosure Statement) for further information.

Complying fund

Media Super 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 2011 will also be lodged with APRA.

Trustee salaries

The Trustee/Directors of Media Super received a fee of \$25,000 for the 2010-11 financial year; the Chair received \$35,000.

Each fee included a component for Director training of up to 30 hours per year.

Executive salaries

Executive Salary	Total Package including Super
\$250-300,000	1
\$200-250,000	2
\$150-200,000	2



Advisers and service providers

Advisers and Service Providers to Media Super in 2010–11

Administrator:

Pillar Administration (to 28 February 2011)
Mercer (Australia) Pty Ltd (from 1 March 2011)

Auditor:

Deloitte

Bankers:

Commonwealth Bank of Australia
(to 28 February 2011)
Westpac Bank (from 1 March 2011)

Custodian:

BNP Paribas Fund Services
Australasia Pty Ltd

Communications:

Publicity Works

Insurers:

OnePath Life Limited
(formerly named ING Life Limited)

Lawyers:

Minter Ellison
Henry Davis York
Maurice Blackburn Commercial

Investment Advisers:

Frontier Consulting
Angeles Advisors
Quentin Ayers

Investment Managers:

AMP Capital Investors
Aurora Funds Management Limited
BlackRock Asset Management Australia
Limited
BNP Paribas Investment Partners
BT Financial Group
Charter Hall Group
Colonial First State Global
Asset Management

Deutsche Asset Management
(Australia) Limited
DEXUS Property Group
Fortius Funds Management,
Investment Manager
Franklin Templeton Institutional
Fulcrum Media Finance 2 Pty Ltd
Generation Investment Management LLP
GMO Australia Limited
Hastings Funds Management Limited
Industry Funds Management
Industry Super Holdings
Infrastructure Capital Group
ISPT Pty Ltd
Lazard Asset Management Pacific Co.
Legg Mason Asset Management Australia
Limited
Macquarie Investment Management Limited
Maple-Brown Abbott Limited
Perpetual Investment Management Limited
Platinum Asset Management
Private Equity Group, ING Investment
Management
Quay Partners Private Equity Specialists
Schroder Investment Management Australia
Limited
Sigular Guff & Company, LLC
Solaris Investment Management Limited
State Street Global Advisors Australia Limited
Tactical Global Management Limited
The GPT Group
Vanguard Investments Australia
Westbourne Credit Management Limited
Wilshire Australia Pty Limited

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 policy

The Fund'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 orientating 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 on the Fund's assets. Over shorter periods, the effect on investment returns is expected to vary from year to year. Details of derivatives used by Investment Managers are provided on page 26.

Not more than 10% of the Fund may be invested in any one asset or security, unless the Trustee deems it appropriate. The Trustee has made a decision that the investment in Colonial First State Global Asset Management – Cash, should exceed 10%.

Holdings of more than 5% in any one asset or security are shown in the table below.

Media Super Asset Holdings over 5%	
Manager and Asset sector	Allocation as at 30/06/11
Colonial First State Global Asset Management – Cash	11.92%
Maple Brown Abbott – Australian Shares	7.72%
Industry Funds Management – Australian Shares	6.98%
Schroders Investment Management Australia – Australian Shares	6.84%
Solaris Investment Management – Australian Shares	6.72%
Platinum Asset Management – International Shares	5.18%
State Street Global Advisors – International Shares	5.14%

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.

Financial Statements

Statement of Financial Position as at 30 June 2011

ASSETS	2011 \$'000	2010 \$'000
Cash Assets		
Cash at Bank	34,560	33,972
Investments		
Units in Pooled Superannuation Trusts	87,759	79,849
Units in Unit Trusts	1,225,496	1,640,117
Units in Property Trusts	133,314	215,682
Insurance Policies – investment linked	97,140	51,072
Directly Held Australian Shares	919,008	277,726
Derivatives	3,208	2,569
Fixed Income	2,488	–
Cash and Cash Equivalents	403,754	311,767
	2,872,167	2,578,782
Other Assets		
Fixed Assets	738	173
Prepayments	101	21
GST Receivable	349	171
Other Receivables	52	138
	1,240	503
Tax Assets		
Deferred Tax Assets	36,058	50,270
TOTAL ASSETS	2,944,025	2,663,527
LIABILITIES		
Payables		
Insurance Premiums Payable	2,104	2,578
Investment Expenses Payable	782	479
Benefits Payable	73	580
Accounts Payable	2,644	11,170
Employee Benefits	425	381
	6,028	15,188
Tax Liabilities		
Current Tax Liabilities	17,123	21,313
Deferred Tax Liabilities	684	420
	17,807	21,733
TOTAL LIABILITIES	23,835	36,921
NET ASSETS AVAILABLE TO PAY BENEFITS	2,920,190	2,626,606
Represented by: LIABILITY FOR ACCRUED BENEFITS		
Allocated to Members' Accounts	2,914,436	2,616,969
Reserves	5,754	9,637
	2,920,190	2,626,606

This statement should be read in conjunction with the notes to the financial statements.

Operating Statement for the Financial Year Ended 30 June 2011

REVENUE	2011 \$'000	2010 \$'000
Investment Revenue		
Interest	12,045	12,504
Dividends	41,143	99,207
Distributions	122,783	622
Changes in Net Market Value	59,245	98,886
Other Investment Income	1,512	1,585
Total Investment Revenue	236,728	212,804
Contributions Revenue		
Employer	218,856	206,046
Member	15,883	20,901
Co-Contribution	3,121	3,523
Transfers In	55,604	42,998
Total Contributions Revenue	293,464	273,468
Other Revenue		
Group Life Insurance Proceeds	7,130	5,694
Other Income	4,298	3
Total Other Revenue	11,428	5,697
TOTAL REVENUES FROM ORDINARY ACTIVITIES	541,620	491,969
EXPENSES		
Investment Expenses		
Investment Expenses	9,461	3,197
General Administration Expenses		
Administration Expenses	8,857	9,863
Insurance Premiums	10,300	12,282
Superannuation Contributions Surcharge/(Refund)	28	(9)
Anti-Detriment Payments	–	344
TOTAL EXPENSES FROM ORDINARY ACTIVITIES	28,646	25,677
BENEFITS ACCRUED AS A RESULT OF OPERATING BEFORE INCOME TAX	512,974	466,292
Income Tax Expense/(Benefit)	43,498	61,030
BENEFITS ACCRUED AS A RESULT OF OPERATING AFTER INCOME TAX	469,476	405,262

This statement should be read in conjunction with the notes to the financial statements.

Continued overleaf >

Media Super Investment Managers and Assets

The market value of Media Super's assets held by various managers (other than cash at bank) at 30 June 2011 compared to 30 June in the previous year.

INVESTMENTS HELD	2011 \$'000	2010 \$'000
Units in Pooled Superannuation Trusts		
IFM Australian Infrastructure Fund	79,876	70,828
Wilshire Australia Private Markets PST "G" Class Units	4,668	6,113
Wilshire Australia Private Markets PST "H" Class Units	877	772
Wilshire Australia Private Markets PST "J" Class Units	1,625	1,630
Wilshire Australia Private Markets PST "K" Class Units	713	506
Units in Pooled Superannuation Trusts Total	87,759	79,849
Units in Unit Trusts		
AMP Capital Sustainable Share Fund	-	175,392
AMP Property Development Portfolio 3	678	1,173
Aurora Fortitude Absolute Return Fund	30,031	-
BlackRock Global Bond Index Fund	73,211	113,340
BlackRock Wholesale Indexed Australian Bond Fund	87,015	114,793
BT Global Return Fund	3,525	7,311
Charter Hall Opportunity Fund 4	4,808	4,651
Charter Hall Opportunity Fund 5	14,326	11,027
Energy Infrastructure Trust (EIT)	92,231	54,781
Generation IM Global Equity Fund (a subfund of Generation IM Fund plc)	111,255	85,355
GMO Australian Equity Trust	-	170,070
Hastings Utilities Trust of Australia	8,940	16,599
Hastings Yield Fund	56,820	60,891
IFM International Infrastructure Fund	15,751	13,919
IFM International Private Equity Fund I	5,505	6,830
IFM International Private Equity Fund II	5,657	5,664
Industry Super Holdings Pty Ltd	2,236	2,011
ING Investment Management Private Equity Fund 4	13,532	7,478
ING Private Capital Fund 2	3,542	5,985
ING Private Capital Fund 3	1,430	1,266
Lazard Emerging Markets Fund - I Class	41,396	35,767
Lazard Global Small Cap Fund - I Class	68,456	63,940
Legg Mason Emerging Markets Trust - Class A	25,659	26,184

This statement should be read in conjunction with the notes to the financial statements.

Media Super Investment Managers and Assets (continued)

INVESTMENTS HELD	2011 \$'000	2010 \$'000
Macquarie Alternative Investment Trust III	11,473	15,090
Macquarie Alternative Investment Trust IV	12,896	12,607
Maple-Brown Abbott Australian Equity Trust	-	179,973
MFS Global Equity Trust	142,867	140,401
Platinum International Fund	144,276	117,832
Q-BLK ARS III - Institutional, Ltd.	801	7,702
Quay Australia 2 Fund	5,556	8,263
Quay Australia 3 Fund	3,072	2,559
Quay Australia 4 Fund	9,796	7,226
Siguler Guff Distressed Opportunities Fund III (F), LP	16,357	19,680
SSgA Australian SAM Sustainability Index Trust	7,614	2,675
SSgA Dow Jones Sustainability World Ex-Australia Index Trust	5,883	5,747
State Street Global Advisors Global Index Plus	147,208	117,369
Super Loans Trust	9,957	9,399
Westbourne Yield Fund No.6	30,812	-
Wilshire Australian Private Markets No.1 Fund	2,604	3,141
Wilshire Private Markets Australia No.2 Fund	8,320	6,026
Total Units in Unit Trusts	1,225,496	1,640,117
Units in Property Trusts		
AMP Capital Global Property Securities Fund	-	33,522
AMP Global Direct Property Fund	13,255	12,242
Charter Hall Core Plus Industrial Fund	6,426	6,385
Colonial First State Private Property Syndicate	28,479	31,124
DEXUS Wholesale Property Fund	-	17,773
Fortius Active Property Trust No.1	9,295	9,263
Franklin International Real Estate Fund 2	3,041	3,702
GPT Wholesale Office Fund	-	11,091
GPT Wholesale Shopping Centre Fund	9,112	8,840
ISPT 50 Lonsdale Street Property Trust	3,435	3,159
ISPT Core Fund	56,420	48,232
RREEF Global (ex-Australia) Property Securities Fund	-	30,349
Vanguard International Property Securities Index Fund (Hedged)	3,851	-
Total Units in Property Trusts	133,314	215,682

This statement should be read in conjunction with the notes to the financial statements.

[Continued overleaf >](#)

Media Super Investment Managers and Assets (continued)

INVESTMENTS HELD	2011 \$'000	2010 \$'000
Insurance Policies – investment linked		
AMP Australian Core Property Portfolio (AMP Statutory Fund No 2)	97,140	51,072
Insurance Policies - investment linked Total	97,140	51,072
Directly Held Australian Shares		
Total Directly Held Australian Shares	919,008	277,726
Derivatives		
Equity Futures	192	-81
Foreign Currency Forward Contracts	3,016	2,650
Total Derivatives	3,208	2,569
Fixed Income		
Fulcrum Media Finance Loan Facilities	2,488	-
Total Fixed Income	2,488	-
Cash and Cash Equivalents		
BNPP Nominee Custody Account	3	500
Cash at investment managers - not yet invested	48,160	19,621
Cash in transit	-	30,000
Colonial First State Wholesale Premium Cash Fund	341,478	234,489
Other cash at BNPP	7,399	9,823
Short Term Deposits	6,714	17,334
Cash and Cash Equivalents Total	403,754	311,767
Total Investments	2,872,167	2,578,782

These are Media Super's abridged, unaudited accounts for 2010–11. If you wish to view a copy of Media Super's 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 2011 audit will be completed by 31 October 2011, and the audited accounts together with the auditor's report are expected to be available shortly thereafter.

Note: The derivatives referred to above are held in accordance with the Funds investment policy as detailed on page 21.



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