



ANNUAL REPORT
TO MEMBERS

10 / 11



We are pleased to provide the following report to members on the operations of the Canegrowers Retirement Fund (CRF) for the twelve months to 30 June 2011.

The CRF was established in 1975 and provides benefits towards members' retirements based on the accumulated account balance of the members. The following information summarises the operations and conditions relevant to the Fund during the year ended 30 June 2011.

Also accompanying this report is your annual statement showing details of your benefit in the Fund. We advise that the CRF achieved an after tax and expenses earning rate of **7.6%** for the twelve months ended 30 June 2011 and **8.3%** for the pension. The performance places the CRF as one of the most attractive capital stable fund performers.

Compliance

In the opinion of the Trustee, the Fund complied with the prescribed legislation during the reporting year and also met the relevant statutory requirements during the previous 3 years. Annual returns under the Act have been lodged by the Trustee for each of those years. The Fund does not expect to receive a notice of non-compliance for the year ended 30 June 2011.

Financial Statements and Audit

A copy of the abridged audited financial accounts of the Fund for the reporting year is attached. The Fund was audited in 2010/2011 by Lawler Hacketts, Chartered Accountants, Brisbane. The Auditors have made no qualification in respect of the reporting period.

Investments

The following investments exceeded 5% of the total investments of the Fund and in accordance with the regulations are reported:

- Canegrowers Financial Services Investment Trust Fund 10.87%.

It is the policy of the Trustee that all investment returns should flow through to members' accounts and no reserve be created in order to smooth the peaks and troughs of the investment returns.

The Fund continues to hold significant interest bearing investments. Share investments were generally value oriented with a preference for companies with fully franked dividends. The accompanying Statement of Net Assets shows the allocation of Fund assets by investment type for 2010 and 2011.

Allotment of Investment Earnings

Investment earnings for the year less Fund expenses including taxation have been allocated to members' accounts.

Total investment earnings before deduction of expenses other than investment expenses for the past three financial years were:

\$4,284,212 2008/09

\$3,575,674 2009/10

\$3,703,363 2010/11

Fund Earning Rate

The audited net earning rates for the Fund after all expenses including taxation for the past five financial years were:

10.43% 2006/07

(4.1%) 2007/08

(6.1%) 2008/09

10.4% 2009/10

7.6% 2010/11

3.62% 5 Year Compound Earning Rate

7.35% 10 Year Compound Earning Rate

Objectives and Strategy

The Fund's investment objectives are:

1. Long term objective: Outperform CPI + 2% pa over rolling 3 year periods.
2. Medium term objective against competitors: Outperform median capital stable manager over rolling 3 year periods.
3. Short term objective: Outperform benchmark portfolio over rolling 2 year periods adjusted for costs and tax.

The Trustee aims to achieve the investment objectives through an investment strategy that adopts an asset allocation that is kept within stipulated ranges.

The Trustee has adopted the following strategy:

- In taking decisions on investment strategy, the Trustee will have regard to the overall circumstances of the Fund including membership profile and will comply with all applicable legislative requirements.
- The Fund's investments will be managed with a view to ensuring that the Fund will have sufficient liquidity to meet expected cash flow requirements.
- A depressed investment environment may lead to a negative return on investments. The mix of investments should be designed to avoid a negative return for the fund in any year as far as practicable.
- As far as practicable, investments should be made to avoid significant fluctuations in returns from year to year.
- Investments should emphasise security of capital.
- The Fund will employ an investment manager or managers with the objective of actively seeking investment returns higher than the Fund's nominated benchmark.
- The manager(s) will have responsibility for the investment of the assets within specified limits.
- The investment manager(s) will be permitted to use options to assist with the effective management of the Fund's assets. However, these instruments may not be 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 will be expected to vary from year to year.
- Labour standards or environmental, social and ethical considerations are not taken into account in selecting, retaining or realising the investments of the Fund.
- The Trustee will specify and continually monitor the minimum and maximum ranges of investments in Australian and Overseas shares, property, fixed interest and cash.

The Trustee will review the overall strategy at least annually.

Fund Expenses

All investment and fund expenses including taxation on investment income is deducted before the Fund earning rate is declared. Fund expenses include a 0.5% administration fee and 0.5% investment management fee. Contributions for which a tax deduction is claimed are subject to a 15% government tax which has been deducted from members' accounts

Employer Contributions

To the Trustee's knowledge, all contributions payable by employers of Fund members had been paid to the Trustee during the year.

Pension

The Fund offers members a pension. The pension is available to members who are aged at least 55 and ceased full time employment or members over 65 years of age whether retired or not. **The earning rate for the pension for 2010/11 was 8.3%**. The Fund also offers a transition to retirement pension for persons from age 55 who are not retired.

Privacy Disclosure Statement

The purpose for which we collect personal information (including your full name, address and contact details) is to provide you with superannuation benefits as well as information on other products and services offered by us. The law may also require us to collect personal information. If insurance cover is selected, the information provided will be given to the Fund's insurer. If you subsequently make a claim for an insurance benefit, information about you may be disclosed to doctors and other experts nominated by the Fund's insurer. In addition, if there is any dispute about your entitlement, Canegrowers Retirement Fund may disclose information about you to other advisers (for example, legal advisers).

A copy of the Fund's privacy policy will be provided to you on request.

Eligible Rollover Fund

The Trustee has appointed Colonial Super Trace Eligible Rollover Fund for the transfer of "lost member" benefits. These are members whose benefits are eligible to be paid and for whom two consecutive prescribed reports to members have been returned to the Fund unopened or marked "left address". Contact details are as follows: Colonial SuperTrace, Locked Bag 5429, Parramatta NSW 2124. Telephone: 1300 788 750.

Protection of Small Accounts

The Fund protects members with small account balances. This is in line with government legislation introduced to protect members whose account balances are less than \$1000 from having their balances eroded by administration fees.

Contributions tax and insurance premiums (if applicable) will be deducted from contributions. However, the annual administration fee in the year will not exceed the amount of interest credited to a member's account while it remains under \$1000 (unless the Fund's administration expense for the year is greater than the total investment earnings).

Complaints Procedures

The Fund has in place an enquiries and complaints procedure to assist members in the first instance with general enquiries about the Fund and with any complaints. General enquiries should be directed to the company. However, if you have a complaint and do not obtain a satisfactory initial response, your complaint can be directed in writing to Mr A J Utting, CRF Secretary at the below address for a formal reply. If your complaint is then not resolved by the Fund within 45 days, you may submit it to the Superannuation Complaints Tribunal for conciliation. Their phone number is 1300 780 808 and their postal address is Locked Mail Bag 3060, Melbourne Vic 3000.

Trustee

The Trustee of the Fund is Canegrowers Superannuation Pty Ltd (ACN 009 938 845) whose Board of Directors consists of the following persons during the year and as at the date of this report:

Mr A F Cristaudo
Chairman, Canegrower

Mr S J Greenwood
*Chief Executive Officer,
Qld Canegrowers Organisation Ltd
- appointed 20 September 2010*

Mr R J Mullins
Secretary, Qld Canegrowers Organisation Ltd

Mr P A Schembri
Canegrower

Mr J J Russo
Canegrower

Mr I J Ballantyne
Resigned 27 August 2010

The Trustee maintains an insurance policy to protect itself and the Fund from certain claims for damages or compensation.

Investment Manager and Administrator

The Fund investment manager and administrator is:

Utting Libke & Associates
Level 4, Canegrowers Building
190 Edward Street, Brisbane Qld 4000
GPO Box 1502, Brisbane Qld 4001

Further Information

Additional information regarding the Fund is available from
Canegrowers Superannuation Pty Ltd, GPO Box 1032, Brisbane Qld 4001.
Website: www.crf.net.au

In particular, copies of the Fund's returns to the Australian Prudential Regulation Authority, full financial statements, particulars of the Bank Debenture in favour of the Trustee and details of the provisions of the Trust Deed affecting your entitlements and rights can be provided upon request.

Canegrowers Superannuation Pty Ltd

Trustee for Canegrowers Retirement Fund
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RSE Licence L0002431
RSE Registration R1005714

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Contact: Mr A J Utting Secretary



CANEGROWERS
RETIREMENT FUND

