

The Global Financial Crisis

A steady hand in uncertain times

It's been a tough time for investors over the past 18 months or so – and that's an understatement. What began as the US sub-prime mortgage crisis developed into a credit crisis, then a global financial crisis which is now playing out in the real world as a global recession.

Economic growth has stalled around the world, and governments are doing what they can to reignite demand through stimulus packages and interest rate reductions. Meanwhile businesses are doing what they can, firstly to ensure their survival and also to position themselves for when 'normality' returns.

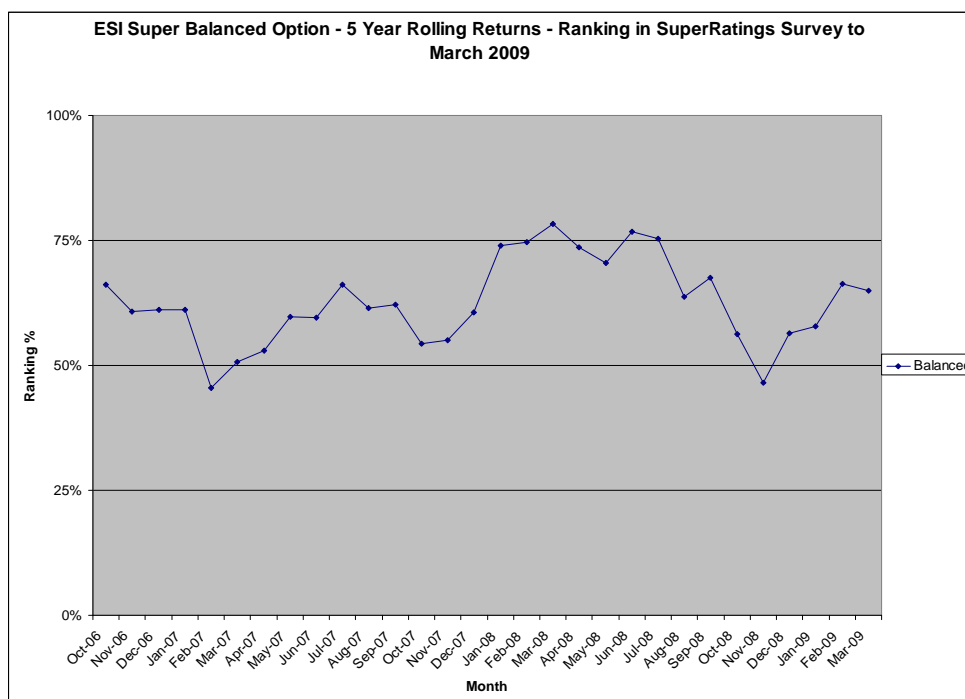
You'll probably have noticed that investment markets have moved into positive territory over the past couple of months. This provides some hope – but no guarantee – that the worst may be behind us.

Amid all this, how have ESI Super members' returns been faring? The answer is better than most. While our most popular investment options have lost some value, they have still performed better than most comparable funds in a survey published by SuperRatings Pty Ltd, the independent research firm.

That performance has also contributed to SuperRatings awarding ESI Super its highest Platinum rating, and nominating us as one of its 2009 'Rising Stars'.



The chart below shows how the rolling 5 year returns for ESI Super's Balanced investment option ranked against other super funds surveyed by SuperRatings over the period starting October 2006 to April 2009. While we are all naturally concerned about investment returns in the short term, it's consistent solid longer term performance like this that marks a good superannuation fund.



The trend line in this chart shows the Balanced option’s rolling 5 year returns (measured every month) is consistently ranking above the mean (the 50% line) of all funds surveyed by SuperRatings.

Alert and responsive

Our performance, relative to those other funds, is testament to the hard work we’ve been doing behind the scenes. With the help of our investment advisers, we’ve been analysing the investment situation, tracking the economic indicators and making changes to our investment mix.

In particular, we’ve been reducing our exposure to listed markets and allocating more money to alternative investments that we expect to be steadier performers while still delivering attractive long-term returns.

By being both **alert** and **responsive**, we believe we’ve helped our members weather the worst of the downturn and positioned our portfolios to make the most of the eventual recovery. That, together with initiatives we’re taking to grow our membership base, will ensure the long-term strength of ESI Super.

Real service is always on hand

While all this has been going on behind the scenes, we’ve also made a special effort to respond to your individual enquiries.

Many of you have received information and support over the phone or by email from our dedicated ESI Assist team. And the qualified advisers at ESI Financial Services have offered and provided general and personal advice to members who had decisions to make or were unsure how to respond to the uncertain investment climate.

When you speak to someone at ESI Super, you can be confident that they know the fund inside-out and won't rest until they've resolved your enquiry. That's rare, and it's that commitment to personal service that our members really appreciate.

This article has been prepared for the general information of members of ESI Super. It does not take into account any member's individual financial objectives, financial situation or needs. Any statements of law or proposals are based on our interpretation of the law or proposals as at 1 May 2009. We recommend that you seek help from a licensed financial adviser before acting on any information contained in this article. While all due care and diligence has been taken in the preparation of this article, the Trustee reserves the right to correct any errors or omissions. If there are any inconsistencies between the terms of ESI Super's Trust Deed and this newsletter, the terms of the Trust Deed prevail.

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