



Generations /

Summit Master Trust Personal Superannuation and Pension Fund ABN 74 759 764 217
(incorporating Generations Personal Super and Generations Personal Pension)

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Message from the Trustee

We are pleased to present the Trustee's annual report for the year ended 30 June 2009.

The 2008/09 Fund reporting year was turbulent due to volatile investment markets, which continued their downward trend as the global financial crisis unfolded. Many of the superannuation funds and products for which we are the trustee invest a significant proportion of their value in Australian and international sharemarkets. As a result of the volatility of those markets during the reporting period the value of your superannuation may have been negatively affected.

However, since reaching a low in March 2009, investment markets have rebounded strongly and there is evidence that the worst may be behind us, with Australia avoiding a technical recession and economic indicators pointing towards a possible recovery. Early government intervention in the form of stimulus packages; a strong regulatory regime; and the strength of Australia's commodity exports to the relatively high growth economies of Asia appears to have helped Australia weather the storm better than most comparable countries.

Three Government sponsored reviews are taking place that may have an effect on the superannuation environment. The various reports and recommendations will be handed down from the end of 2009 to mid 2010. They will cover issues such as improving consumer protection, taxation of savings, assets and investments and the governance, operational efficiency and structure of Australia's superannuation system.

AXA, including the Trustee, has and will submit detailed proposals as part of the reviews and is actively involved in supporting industry initiatives to improve governance standards and investor protection, such as the Investment and Financial Service Association's Super Charter. The Trustee will continue to closely monitor the introduction of new legislation and will keep members informed via the annual report.

It is at times like this that the need for quality financial advice is important. Your financial adviser understands the volatility of financial markets and can help you put the performance of financial markets into perspective. Superannuation remains a tax-effective vehicle for Australians to save for their retirement years and your financial adviser can provide quality advice to help you to grow and protect your family's wealth.

Michael Butler
Chairman

Anthony Pagent
Head of Trustee Management

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Super fund information

Generations Personal Super and Generations Personal Pension are plans within the Summit Master Trust Personal Superannuation and Pension Fund (the Fund).

The Trustee

N.M. Superannuation Proprietary Limited (the Trustee) is a wholly-owned subsidiary of The National Mutual Life Association of Australasia Limited, herein referred to as AXA Australia. The Trustee is an RSE Licensee under the Superannuation Industry (Supervision) Act 1993 (SIS Act), which means that it has satisfied licensing conditions required by the Australian Prudential Regulation Authority (APRA). The Trustee also maintains an appropriate level of indemnity insurance.

Changes to the Trust Deed

There were no amendments to the Trust Deed during the year.

Investment options

Generations offers a range of single manager investment options, managed by the following investment managers:

Aberdeen Investment Management Australia Limited	Legg Mason Asset Management Australia Limited
AllianceBernstein Australia Limited (AllianceBernstein)	Perpetual Investment Management Limited
Aviva Investors Australia Limited	PIMCO Australia Limited
AXA	Platinum Investment Management Limited
AXA Rosenberg	Schroder Investment Management Australia Limited
Barclays Global Investors Australia Limited	UBS Global Asset Management
Colonial First State Investments Limited	Vanguard Investments Australia Limited

Generations offers a range of diversified multi-manager investment options managed by ipac asset management limited (ipac). The Generations multi-manager investment options provide access to the expertise of specialist investment managers in each asset class. For a list of current investment managers, please refer to the Generations Investment Options Product Disclosure Statement (PDS).

Investment strategy – super funds

The SIS Act and Regulations require the trustee of a regulated super fund to formulate and give effect to an investment strategy which has regard to the specific factors detailed in the Act and Regulations.

The investment strategy for the Fund is to offer a range of discretionary investments from which members can select. The discretionary investments are made up of a range of investment strategies, which are explained in the Generations Investment Options PDS. An investment committee reviews the investment strategies on offer. Only those that are viewed as likely to add value over a full investment cycle are included.

The Trustee does not invest directly in derivatives for the Fund. However, underlying investment managers may do so.

Members are required to give direction to the Trustee to invest their total assets into the asset strategies they select from the Generations Investment Options PDS.

Relationship between the Trustee and some service providers

The Trustee invests in managed investment schemes where National Mutual Funds Management Limited (NMF) and ipac are the responsible entities. NMF and ipac are part of the Global AXA Group. AllianceBernstein is also a related party of the Trustee.

ipac is responsible for the selection and ongoing monitoring of investment managers for investments operated by ipac as the responsible entity.

Both ipac and NMF are entitled to change investment managers or asset allocations at any time without notice to members invested in the portfolios. This action may be undertaken to ensure the best investment managers are used. For an updated list of current investment managers, please refer to the Generations Investment Options PDS.

Net earnings – rate of return

Earnings on super investments are reflected in the change in the value of the units or capital value of the underlying investments selected and in the receipt of income distributions from underlying investments. Income distributions are reinvested back into the portfolio they are derived from. Where an investment option has application or redemption restrictions imposed by the investment manager and it is removed from the Generations Investment Options PDS, distributions may be credited to the cash account and invested according to purchase instructions.

The wide choice of individual investments available to Generations members means that earnings and performance vary from member to member. Please refer to your annual member statement for information about the earnings of your particular investment options.

If you require further information, please contact your financial adviser.

Liquidity risk

Liquidity risk is the possibility that an investment cannot be switched, cashed, transferred or rolled over as quickly as a member might wish. Different investments have different transaction processing times, and thus different levels of liquidity risk.

Investment switches, withdrawals, rollovers and transfers from a super or pension account are normally processed within 30 days of us receiving all of the necessary information. The exception is where particular investments, referred to as 'illiquid assets', have a redemption period imposed by the underlying investment manager that prevents the Trustee from paying the benefit within this period. These are specifically identified as such in the Generations Investment Options PDS.

Asset holdings greater than 5 per cent

At 30 June 2009, the following investments were greater than 5 per cent of the Fund's assets.

Summit Master Trust Personal Superannuation and Pension Fund	% of Fund
Cash Account	10.72
ipac Pathways 70	9.04
Generations Balanced	5.22

Compensation

From time to time there are circumstances in which the Trustee needs to pay compensation to members.

There are four key principles that guide the Trustee's payment of compensation to current and former members:

- the Trustee and AXA should not benefit
- other members do not bear the cost of compensation
- compensation is paid to members in a manner that minimises the cost and inconvenience to those members receiving the compensation, and
- communication should be provided to affected members in all circumstances where the member would reasonably expect to be notified.

The Trustee may decide not to pay compensation to current or former members where it considers the individual compensation amounts are very small.

Super news

Reduction in contribution limits – effective 1 July 2009

Concessional contributions

With effect from 1 July 2009 a cap of \$25,000 per person per year applies to concessional contributions. The cap is indexed. Excess concessional contributions will be taxed at the top marginal rate which includes the 15 per cent contributions tax imposed on the individual, who may pay the liability themselves or withdraw some or all of the liability from their super fund.

If a member incurs this additional tax, they may elect to have it paid by way of a deduction from their account with the Fund. To do so, a 'release authority' (which will be provided by the Australian Taxation Office (ATO) at the relevant time) must be completed and sent to the Fund accordingly.

Until 1 July 2012, a transitional concessional contributions cap of \$50,000 per person per year will apply for people who are aged 50 and over on the last day of the financial year. This transitional cap will not be indexed.

From 2012, the concessional contributions cap for individuals aged 50 and over will reduce to \$25,000 and may be subject to indexation.

Non-concessional contributions

An annual cap of \$150,000 per person applies to non-concessional contributions.

Members under age 65 on 1 July can average their non-concessional contributions over a three-year period, to a maximum of \$450,000 for that period.

Members aged 65 or over on 1 July can only make non-concessional contributions up to \$150,000 in that year and each subsequent year to age 75.

From 1 July 2012, the non-concessional contributions cap will be calculated as six times the level of the concessional contributions cap.

Non-concessional contributions in excess of this cap will be taxed at the top marginal rate. This tax is imposed on the individual, who must withdraw an amount equal to their tax liability from their super fund. To do so, a 'release authority' (which will be provided to you by the ATO at the relevant time) must be completed and sent to the Fund.

The Trustee is prevented by law from accepting a non-concessional contribution for anyone under the age of 65 that is greater than three times the non-concessional cap and for anyone aged 65 and over that exceeds the annual non-concessional cap. The Trustee is required by law to refund the excess contribution and is entitled to deduct an administration fee and any transaction costs and premiums that have been paid in relation to cover for a specific period.

Pension withdrawal minimums

As part of the 2009 Federal Budget, the Government announced that members can elect to halve the minimum annual income percentages for the 2009/10 financial year. This temporary relief recognises the effect of the financial market downturn on investments.

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Government co-contributions

As announced in the 2009 Federal Budget, from 1 July 2009 the Government will temporarily reduce the co-contributions matching rate and the maximum amount payable by the government as a co-contribution on an individual's eligible personal non-concessional super contribution.

The new matching rates will be:

- 100 per cent for the 2009/10, 2010/11 and 2011/12 financial years, with a maximum co-contribution of \$1,000
- 125 per cent for 2012/13 and 2013/14 financial years, with a maximum co-contribution of \$1,250
- 150 per cent from 2014/15 onwards, with a maximum co-contribution of \$1,500.

Temporary residents

Anyone entering Australia on an eligible temporary resident visa may claim their super benefits once they have permanently departed Australia.

Under super legislation, if the benefit is not claimed within six months of departing Australia it may be paid as unclaimed super to the ATO. Notification will not be given and an exit statement will not be issued by the super fund.

If this has occurred, super money can be claimed from the ATO. For more information, visit www.ato.gov.au.

Product news

Asset allocation enhancements for multi-manager diversified investment options

From 1 April 2009, ipac implemented a number of asset allocation enhancements to improve the diversification and risk/return characteristics of the Generations diversified multi-manager investment options. Key features included:

- the introduction of asset allocation policy ranges for each investment option
- the introduction of alternative asset classes
- diversifying property from Australian Listed Property into Global Listed Property to access deeper, less concentrated property markets
- diversifying International Equities into Global Emerging Markets and Global Small Caps Equities
- diversifying Fixed Interest into Alternative Income Strategies, and
- using both active and passive management to diversify investment styles and enable the inclusion of additional asset classes through the use of some additional indexing.

There was no increase to investment management fees as a result of the enhancements although we did introduce performance fees for the alternative asset classes, in line with other Generations investment options. Alternative asset strategies rely heavily on manager skill, therefore it is common to have performance fees as an incentive for managers to exceed specified performance hurdles.

Indexation benefit

From 1 July 2010, to protect your Death, Total and Permanent Disablement (TPD) and Salary Continuance insurance against the effects of inflation, we will automatically increase sums insured on 1 July each year. For Death and TPD we will increase the sum insured by the greater of 5 per cent or the increase in the Consumer Price Index (CPI). For Salary Continuance we will increase the sum insured by the greater of 3 per cent or the increase in the CPI. We will not provide the automatic increase to a sum insured after a member has turned 65 or where their premium has an additional loading of more than 100 per cent for special conditions.

The CPI-based increases will occur automatically without the need for underwriting. Therefore, on 1 July each year, in addition to any change in premium due to an increase in age, premiums will also be adjusted to cover the increased sum insured. If you do not wish to keep some or all of this increase, please contact your adviser to arrange to have the sums insured reduced as required. You should also be aware that, as the Salary Continuance benefit we pay is directly related to your salary, any automatic indexation increases in your Salary Continuance sum insured may not fully apply to the benefit at the time of claim. You should keep your financial adviser informed of salary changes on an annual basis to ensure your Salary Continuance benefit remains appropriate for your salary.

New investment options available to Generations members

In December 2009 we will enhance the Generations Investment Options adding three new multi-manager index funds. These investment options will aim to provide low cost exposure to a range of asset classes. ipac will employ investment managers to carry out the day-to-day investment of each asset class. These managers will aim to replicate the returns on selected indices.

Removal of investment options

In December 2009 we will remove the AXA – Defensive Balanced, AXA – Balanced and AXA – Growth investment options. From this date, no further investments into these investment options will be permitted and future income distributions will be credited to cash accounts and invested according to standing purchase instructions. Currently the income distributions for these investment options are automatically reinvested.

Change to income distributions for Australian Monthly Income

Effective 31 December 2009 income distributions for the AXA Australian Monthly Income investment option will be credited to cash accounts and invested according to standing purchase instructions. Currently the distributions for this investment option are automatically reinvested.

Mortgage and property investments

Due to constraints in the commercial property market, the AXA Australian Property and the AXA Australian Monthly Income investment options have become illiquid. As a result, we have made changes to the conditions for processing applications and redemptions. Generations will continue to monitor these funds and the changes that are advised.

Annual super statements – return information

To assist in promoting a long-term view of investing, you will now find information with your annual super statement that aims to put the recent market volatility into perspective providing five and ten year return information for your investments.

Other information

Payment of benefits to an Eligible Rollover Fund

An Eligible Rollover Fund (ERF) is a special type of super fund that can accept benefits that are transferred from another super fund without a member's consent. Typically, an ERF has a conservative investment strategy, and the administration fees charged by the ERF cannot exceed the earnings on the member's account. If your benefits are rolled into the ERF, you will no longer be a member of, nor entitled to claim any benefits from, the Fund.

There are a number of circumstances in which your benefit in the Fund might be transferred to an ERF. For example, if your account balance falls below the minimum required to be invested in the Fund. We will issue an exit statement, and the ERF will advise that it has received your benefit and outline the options available to you.

We may also pay your benefit to an ERF if we lose contact with you. If there have been no contributions or rollovers on your behalf for a minimum two-year period, or if a document has been returned unclaimed and we cannot find an address or alternate means to contact you, we will consider you a lost member. In these circumstances, we will advise the ATO that you are lost and may need to have your benefits transferred to an ERF.

The Trustee has selected the following ERF:

National Preservation Trust

NPT Administration
PO Box 6003
Wollongong NSW 2500
Telephone: 1800 331 210
Fax: 1800 779 084
Email: administration@nptperf.com.au

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Annual financial statements

The following is the abridged financial information for the financial year ended 30 June 2009.

Your annual member statement will provide you with information on your benefit and forms an integral part of your annual member package. If you have misplaced your statement for the 2008/09 financial year, please contact Summit Client Service for a replacement on 1800 622 772.

Summit Master Trust Personal Superannuation and Pension Fund (incorporating Generations Personal Super and Generations Personal Pension) (abridged financial information)

The following statements have been extracted from the audited accounts of the Fund. A copy of the complete financial statements and auditor's report may be obtained by writing to the Trustee.

Operating statement for the year ended 30 June 2009

	2009	2008
	\$	\$
Investment revenue		
Distributions from unit trusts	622,954,897	1,491,101,142
Dividends	19,263,637	16,094,841
Interest	49,528,316	64,731,574
Changes in net market value of investments	(2,145,203,719)	(3,110,119,125)
Net investment revenue	(1,453,456,869)	(1,538,191,568)
Contribution revenue		
Employer	212,574,696	213,757,412
Members	1,301,498,078	2,310,915,051
Superannuation co-contributions	7,897,656	12,771,552
Transfer from external funds	33,573,798	49,594,283
Transfer from related funds	38,788,418	89,260,035
Total contribution revenue	1,594,332,646	2,676,298,334
Other revenue		
Group life insurance claims	5,386,896	3,833,319
Other	1,481,032	3,556,639
Total other revenue	6,867,928	7,389,958
Total revenue	147,743,705	1,145,496,724
Less expenses		
Administration expenses	133,968,951	148,865,577
Surcharge expense	288,588	2,522,287
Total expenses	134,257,539	151,387,864
Benefits accrued as a result of operations before income tax	13,486,166	994,108,860
Less income tax benefit	(74,037,837)	(94,338,629)
Benefits accrued as a result of operations after income tax	87,524,003	1,088,447,489

Statement of financial position as at 30 June 2009

	2009 \$	2008 \$
Investments		
Investments in unit trusts	8,393,890,419	10,023,759,337
Investments in equities	376,551,646	371,114,139
Life office policies	3,940,300	4,625,538
Fixed interest securities	598,342	614,342
Total investments	8,774,980,707	10,400,113,356
Other assets		
Cash at bank	1,298,416,479	1,009,360,868
Other receivables	4,546,460	7,417,478
Deferred tax asset	228,055,175	108,850,040
Total other assets	1,531,018,114	1,125,628,386
Total assets	10,305,998,821	11,525,741,742
Less liabilities		
Current tax liability	67,848,007	26,760,509
Accounts payable	13,983,743	16,873,062
Total liabilities	81,831,750	43,633,571
Net assets available to pay benefits	10,224,167,071	11,482,108,171
Represented by:		
Total liability for accrued benefits	10,224,167,071	11,482,108,171

Cash flow statement for the year ended 30 June 2009

	2009 \$ Inflows/ (Outflows)	2008 \$ Inflows/ (Outflows)
Cash flows from operating activities		
Benefits paid	(1,345,465,104)	(1,444,609,125)
Contributions received	1,521,970,429	2,537,444,016
Interest received	49,528,316	64,731,574
Income tax paid	(4,079,800)	(173,847,696)
Superannuation surcharge paid	(85,670)	(2,522,287)
General expenses	(137,061,185)	(153,035,756)
Transfers from related funds	23,935,356	42,243,949
Dividends and trust distributions received	495,587,589	1,002,895,194
Net inflows of cash from operating activities	604,329,931	1,873,299,869
Cash flows from investing activities		
Proceeds from sale of investments	1,912,988,609	2,058,489,281
Purchase of investments	(2,393,693,862)	(4,006,183,712)
Net outflows of cash from investing activities	(408,705,253)	(1,947,694,431)
Net increase/(decrease) in cash held	123,624,678	(74,394,562)
Cash at the beginning of the financial year	953,190,059	1,027,584,621
Cash at end of the financial year	1,076,814,737	953,190,059

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