

1999 Personal Benefit Account Annual Return

The following pages will provide you with an overview of the 1999 Annual Return.
(For the 1999 PBA Fund Finances refer to the 1999 Divisions A & B Annual Report.)

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Investment Results

The declared rates for 31st December 1998 and the previous four years are set out in the following table.

Year ending 31 December	Managed %	Balanced %	Capital Stable %	Capital Guaranteed %	CPI %
1994	-2.7	NA	NA	0.0	2.6
1995	13.3	NA	10.0	5.7	5.1
1996	13.0	NA	7.5	5.4	1.6
1997	8.6	9.0	6.1	5.8	-0.2
1998	9.6	10.5	9.0	16.6+	1.6
1999	7.3	8.0	2.1	5.3	1.8
Compound Average Returns					
3 years	8.5	9.2	5.7	9.0	1.1
5 years	10.3	9.7	6.9	7.6	2.0

Investment Options

The fund provides members of the PBA with a range of options in which to invest their Account Balance.

Members can select one or more of the following four options:

Managed Option

This option is oriented towards growth, and will normally hold between 50% and 80% of assets in Australian and International shares and in property related investments. The balance will comprise interest bearing investments such as bonds and cash.

The aim is to produce a return of 4% per annum or more above the inflation rate over rolling 5 year periods. This will entail reasonable variability in annual returns. Annual returns are likely to be negative in 20% of investment years. This means capital value of your investment is not guaranteed.

Balanced Option (Default Option)

This option is similar to the Managed option, but with less exposure to growth assets. It will normally hold between 40% to 70% of assets in Australian and international shares and in property related investments. The balance will comprise interest bearing investments such as bonds and cash.

The aim is to produce a return of 3% per annum or more above the inflation rate over rolling 5 year periods. This will entail reasonable variability in annual returns. Annual returns are likely to be negative in 15% of investment years. This means capital value of your investment is not guaranteed.

Capital Stable Option

This option is more oriented towards fixed interest and bonds. It will normally hold between 60% and 70% of assets in bonds and cash, whilst holding the balance in shares and property related investments.

The aim is to produce a return of 2% per annum or more above the inflation rate over rolling 5 year periods. This will entail reasonable variability in annual returns. Annual returns are likely to be more stable, with less variability than the Balanced option, but there is a small chance (10%) of a negative return occurring in a number of years.

Capital Guarantee Option

This option invests in a spread of investments in a range of bonds, cash, shares and property related investments. The managers hold reserves built up in good investment years to draw on in poorer years to prevent crediting a negative investment rate.

The aim is to provide a return above the rate inflation over rolling five year periods. This fund is capital guaranteed, meaning that the value of your investment will not fall below the amount invested plus allocated investment earnings.

Asset Allocation

The Asset Allocations as at 31st December 1999 for the investment period were:

Asset class	Managed %		Balanced %		Capital Stable %		Capital Guaranteed %	
	1999	1998	1999	1998	1999	1998	1999	1998
Australian Equities	42.3	38.2	37.5	37.8	17.3	16.8	29.3	28.6
International Equities	23.1	18.6	23.2	17.4	6.1	6.1	7.8	7.3
Property	8.9	9.4	8.6	7.8	6.7	9.0	17.9	18.2
Fixed Interest	21.6	22.9	21.9	23.6	43.5	43.7	34.1	34.7
Cash	4.1	10.9	8.8	13.4	26.4	24.4	10.9	11.2

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