PITCHER RETIREMENT PLAN

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

news

March 2015

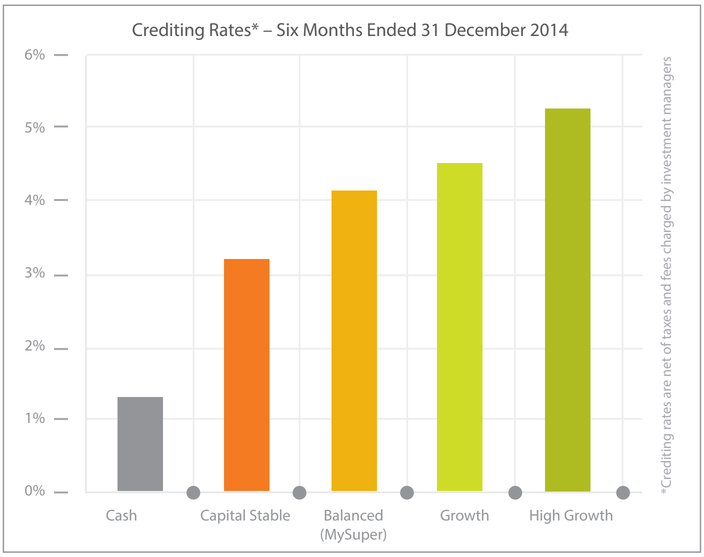
Investment Performance – half year ended 31 December 2014

Investment Performance

We are pleased to report strong performance across all strategies and, with the exception of cash, returns for the first six months of the 2015 financial year in excess of our long term investment objectives.

The following table summarises the investment performance for each investment strategy for the six months ended 31 December 2014. The returns are net of taxes and fees charged by investment managers.

Investment Strategy	Cash	Capital Stable	Balanced (MySuper)	Growth	High Growth
Pitcher Retirement Plan#	1.50%	3.41%	4.36%	4.77%	5.51%
Benchmark	1.19%	3.55%	4.15%	4.78%	4.78%
Long Term Investment Objective (Half Year)*	1.79%	2.79%	3.04%	3.54%	3.79%



Investment returns in the Cash strategy are currently less than our expectations over the longer term due to the low cash and term deposit rates currently available.

Members should note that the Trustee has an obligation to invest in the asset classes for each investment strategy, as detailed in the Fund's Product Disclosure Statement (PDS), irrespective of the prevailing market conditions. The PDS can be found on the Fund's website. If members wish to change their investment strategy they will need to complete and lodge an investment switch form.

Investment Commentary and Outlook

In a global environment of low interest rates, the chase for higher yielding investments dominated the 2014 calendar year. Throughout the course of the year we witnessed numerous central banks continuing to cut interest rates, some into the negative arena, in an attempt to generate domestic growth.

Despite the increased demand for higher yielding investments, our domestic equity markets overall performance was relatively weak. The weak return does however hide the significant divergence between sectors, with financials, listed property, healthcare, utilities and telecommunication stocks all performing strongly. This outperformance in some sectors was reduced by the dramatic fall in oil prices and bulk commodities which generated a selloff in resources, energy and mining services companies.

The Organisation of the Petroleum Exporting Countries (OPEC) meeting on 27 November 2014 triggered a fall in the oil price in excess of 40% due to the fact that OPEC decided to maintain current production levels in an attempt to squeeze out the developing US shale oil industry. This dramatic fall in oil prices has had a flow on impact to inflation levels and has raised concerns that we may be entering a deflationary period. These factors, together with the US stopping its quantitative easing all led to a softer global growth outlook.

Please contact the Plan for the specific pension crediting rates. Investment earnings of pension accounts are not taxed in the Plan and, because of this, the crediting rates for pension members will be different than those disclosed above

* Long Term Investment Objective is outlined in the Pitcher Retirement Plan Product Disclosure Statement titled "Investment Strategies". This document can be found at **www.prpsuper.com.au**.

Consequently, global equities also performed relatively poorly for the six months to 31 December 2014. Global equities however benefited from the unhedged portfolio positions maintained in the Fund with returns boosted by the fall in the Australian dollar on the back of commodity price falls.

Due to the soft outlook for the Australian domestic economy, the 10 year government bond yield fell to a record low of 2.74%. This fall enabled a number of the fixed interest managers to generate relatively strong returns when compared to the equity returns. The fall in our domestic bonds was also replicated globally, and as mentioned above, a number of countries now have negative short term interest rates - i.e. you are now paying the central bank for the privilege of them holding onto your cash.

These extremely low and in some cases negative interest rates are designed to fight off the threat of deflation and generate domestic growth. Over the past six months, we have also seen Japan announce a further expansion of its easing program and Europe finally announced the start, in 2015, of its own easing program. All of these actions are designed to flood local economies with excess liquidity and encourage banks to increase lending.

With this in mind, we expect to see the low interest rate environment remain with us for some time and the demand for higher yielding investments will continue.

Market Returns

The following were the returns of the major asset classes for the six months ended 31 December 2014.

Growth Asset Classes					Income Asset Classes		
Australian Shares	International Shares (Hedged)	International Shares (Unhedged)	Australian Listed Property	International Listed Property	Australian Fixed Interest	International Fixed Interest	Cash
2.5%	4.2%	14.4%	12.7%	11.4%	5.0%	4.8%	1.4%

Asset Allocations

The following schedule details the allocation of assets for each investment strategy.

Investment Strategy	Cash	Capital Stable	Balanced	Growth	High Growth
Australian Equities	0%	12%	22%	33%	46%
International Equities	0%	10%	17%	24%	31%
Listed Property	0%	8%	9%	10%	10%
Alternatives	0%	0%	2%	3%	4%
International Fixed Interest	0%	12%	10%	10%	0%
Australian Fixed Interest	0%	16%	16%	15%	5%
Cash	100%	42%	24%	5%	4%
Total	100%	100%	100%	100%	100%

A full list of managers in the Pitcher Retirement Plan can be found at **www.prpsuper.com.au**.

Further Information

Disclosure documents and forms are available from the Fund's website **www.prpsuper.com.au**.

Any questions you may have can also be directed to the Fund's administrator on **(03) 9691 2944** or **prp@pitcher.com.au**.

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

Administrator
Super BPO
Member enquiry line (03) 9691 2944
prp@pitcher.com.au
GPO Box 5193
Melbourne VIC 3001

www.prpsuper.com.au

Trustee
Pitcher Retirement Plan Pty Ltd
ACN 092 941 574
ABN 77 092 941 574
Trustee office (03) 8610 5000
RSE Licence No L0001021
MySuper Authorisation 15828677472277

Fund
Pitcher Retirement Plan
ABN 15 828 677 472
RSE Registration Number R1001792