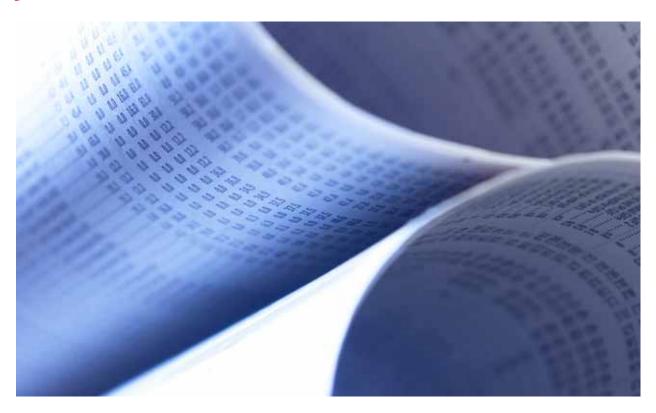
Investor update June 2013



Despite subdued economic growth globally and the ongoing European debt crisis, the 2013 calendar year started well for the Fund's investments, continuing a positive trend which began early in the 2012/2013 Fund year.

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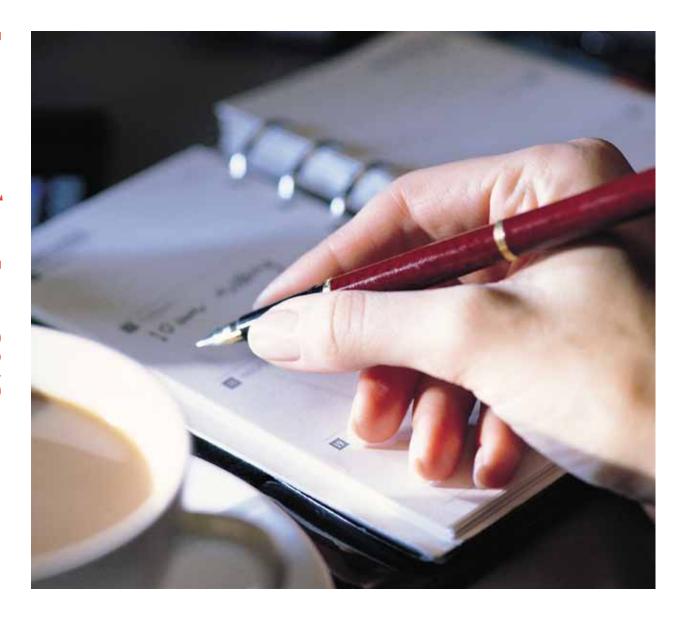
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Share markets rallied from early July 2012 onwards on better news from Europe and the US. In Europe, the European Central Bank announced a comprehensive programme to reduce lending costs for troubled European nations. In the US, the Federal Reserve announced the third round of an open-ended asset purchasing programme (QE3) providing a boost not only to the US, but to the global economy. QE3 is expected to run perpetually until such time that inflation and unemployment are within target ranges.

A change of government in Japan during the December quarter, combined with positive economic data out of China, Europe and the US was enough to offset fears about the US 'fiscal cliff' (which involved huge spending cuts in areas such as defence and the end of tax breaks).

The expected, but late, partial resolution to the US fiscal cliff negotiations in early January, coupled with signs of growth in the US and China, saw the momentum largely carry through until the end of the March quarter, despite events in Europe. In Italy, politicians struggled to form a stable government following an inconclusive election in February, while the terms of a second and final bailout for Cyprus included a restructure of its financial sector and the freezing of all bank deposits over €100,000 which will also be subject to a tax of up to 40%.





Fund news

Independent investment adviser appointed

Melville Jessup Weaver was recently appointed as the Fund's independent investment adviser (a role previously carried out by the Rio Tinto superannuation fund administration team).

The independent investment adviser's role is to provide the Trustees with an independent second opinion on investment matters and to benchmark the performance of the Fund's current investment consultant, Mercer, from time to time on an as needed basis. Mercer will continue to perform the primary investment consulting role.

Independent trustee

The Trustees are currently giving consideration to the appointment of an independent trustee. Legislation scheduled to be passed shortly (and to take effect on 1 April 2014) will in due course require all superannuation schemes such as the Fund to appoint an independent trustee.

Important reminder

The Trustees' Annual Report for the Fund, and the yearend Member Benefit Statements, are scheduled to be sent to members in October. So that you receive yours, please ensure that HR has your correct address.

Trustees

Changes to company appointed Trustees

Two of the Fund's company-appointed Trustees, Ryan Cavanagh and Paula Checketts resigned effective 30 April 2013. The Company has appointed Stewart Hamilton and Mark Kerrison to replace them. We would like to thank Ryan and Paula for their assistance during their time as Trustees and welcome Stewart and Mark to their new roles.

Your chance to participate in the Fund's management

The term of office of the current member-elected Trustees, Ken Bolger, Grant Cuff, Allan Meikle and Karen Sturman ends on 31 October 2013. A call for nominations for the four member-elected Trustees to hold office from 1 November 2013 to 31 October 2016 will be sent to members in late June.

The call for nominations will include a description of the roles and duties of a Trustee. Basically a Trustee's role is to make sure the Fund is managed properly. This means a Trustee must give the management of the Fund proper care and attention and make sure the Fund operates according to the law and its Trust Deed.

Investment choice

Is your current option still right for you?

Ideally, you should review your investment option every year or so to make sure it is still appropriate for your personal circumstances. When you review your current option's suitability, we suggest you think about the following:

When you are likely to need your retirement savings?

This is one of the critical issues. It's easy to think that this will be when you stop work but it should include the time you are retired. When you retire your money should still be working for you even if you are making withdrawals. To help with this, provided you meet certain criteria (see page 15 of the Fund's investment statement), you may transfer your Fund account balances to a retirement account within the Fund.

Consider the cost of living as well

When you consider investment returns, you need to take inflation (cost of living increases) into account. For example, if your savings earn 3% a year after tax, and the cost of living increases by more than 3% a year, then at the end of each year your investment will be worth less in terms of purchasing power. A low-risk option such as the Cash option may suit you at some stages of life but in the long term may not keep pace with inflation.

• Your plans for retirement

We all have different plans and expectations for our retirement. If your plans include luxuries such as overseas travel or starting a new (and potentially expensive) hobby, you may need to save more than someone with less ambitious plans.

• Your feelings about investing

As always, it's important that you feel comfortable with your chosen option. If sharp fluctuations and short-term negative returns worry you, an option which is likely to provide more stable returns may suit you better.

• Your personal financial circumstances

Finally, take into account any investments you have outside the Fund (including your house if you plan to downsize) and anyone who will depend on you financially when you retire.

For help choosing or changing your investment option, contact an authorised financial adviser. To find an adviser in your area go to www.fma.govt.nz/ and select Help me invest from the menu bar.

New developments

Stay connected with the Fund whenever it suits you

The Fund now has a mobile site allowing you to view information such as your account balances, an estimate of your benefits, transaction history, personal details, investments and contributions from your smartphone.

To access the new mobile site, simply enter www.realsuper.superfacts.co.nz into your smartphone browser. Alternatively you can scan the QR code below using the QR reader in your smartphone and it will take you directly to the website.

How to use a QR code

To use a QR code to access the website you will need to download a QR reader app on your smartphone (these are available free of charge from your app store) if you don't already have one installed. Once the app has downloaded you can simply hold the QR reader over the QR code shown here and it will take you directly to the Fund website on your smartphone. It's as easy as that. So check it out.

Fast track caller ID

Recently a feature called fast track caller ID was added to www.realsuper.superfacts.co.nz. The introduction of this technology allows you to enter your member number and access code into your telephone key pad before your call is answered. Your details will then be automatically available to the Helpline consultant when he or she answers your call meaning a more personalised and efficient service while still protecting your privacy and personal information.

If you choose not to enter your details, your call will simply be responded to as it is today.

Calling the Fund Member Helpline outside New Zealand

To access the Fund Member Helpline from within Australia call **03 8681 1849**. If you are calling from outside Australasia call **+61 3 8681 1849**. The number for the Fund Member Helpline within New Zealand continues to be **0508 266 787**.

Rio Tinto New Zealand Retirement Fund

New legislation

Anti-money laundering

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML Act) will come into force on 30 June 2013. (Money laundering is how criminals disguise the illegal origins of their money. Financers of terrorism use similar techniques to avoid detection by authorities and to protect the identity of those providing and receiving funds.)

If it applies to a superannuation scheme such as the Fund, the AML Act will require compliance with detailed additional identity verification, suspicious transaction reporting, record-keeping and process requirements. However, a new special-purpose regulation exempts a prospectus-exempt employer superannuation scheme such as the Fund from the AML Act's requirements, subject to conditions.

The Trustees will invoke this exemption facility. The conditions are still being clarified and will be detailed in the Annual Report, but they include prohibiting members from making non-payroll-sourced lump sum contributions (as those are perceived to give rise to money laundering risks).

The exemption does not prevent voluntary additional member or salary sacrifice contributions. It simply requires that those contributions be deducted from salary and expressed as salary percentages.

Education seminars

Education seminars will be held in September/October. We plan to change the focus of these seminars to include more generalised information about saving for retirement such as setting retirement savings goals, reviewing investment options and where you expect your primary income to come from. The seminars will also include information about choosing a financial adviser, making a will and giving someone power of attorney.