



a super start
setting up for your future

Super Update

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Welcome to *Super Update*, the newsletter for the Heidelberg Australia Superannuation Fund that keeps you up to date with what's happening with your super. If you have any suggestions for articles in future issues of *Super Update*, please pass them on to one of the Fund's Policy Committee members.

How your super is performing

Economic data released in the first quarter of 2017 showed a broad improvement in the world economic outlook. The US economy is nearing the Federal Reserve's employment and inflation goals, while political uncertainty in Europe has eased with the failure of the populist movement in the Dutch elections.

International shares saw strong returns of 5.7% in the March quarter (MSCI World ex Australia Accumulation Index, hedged). Due to an appreciating Australian dollar, this equated to a return of 0.9% in unhedged terms. Australian listed property returns were slightly negative during the March quarter. Australian and global bond yields were generally flat resulting in modest returns for fixed interest investments over the same period.

In Australia, data released during the last three months gave mixed indications about the strength of the Australian economy. Manufacturing activity recorded its sixth month of expansion, but the rate of unemployment worsened slightly, increasing by 0.1% from the December quarter to 5.9% in March 2017.

The Reserve Bank of Australia (RBA) Board again left the official cash rate unchanged at 1.5% in its March and April meetings. The Board noted the more positive outlook for global growth, the higher than expected Australian GDP growth in the December quarter and the continued rise in commodity prices. However, headline inflation remains below the RBA's target range as at the end of December and there are still concerns around the labour and housing markets, in particular the rise in housing loan approvals for investors.

The Australian dollar appreciated against the US dollar over the quarter, from 72.08 US cents at the end of December 2016, to 76.29 US cents at March end. The Australian dollar also appreciated against the currencies of its other major trading partners.

The Fund's investment options performed well over the nine months to 31 March 2017. In particular, the options with higher proportions invested in shares and property – the Diversified Shares and Growth options – saw very strong returns.

Returns for the nine months to 31 March 2017 for each of the Fund's investment options are shown in the table below.

Please remember that past performance is not necessarily a reliable indicator of future performance.

Investment option	1 July 2016 to 31 March 2017
Diversified Shares	16.4%
Growth	10.8%
Balanced	7.0%
Capital Stable	4.1%
Cash	1.2%

Note: Returns shown in the above table are net of tax and investment fees.

Continue your insurance with the Fund

You can continue your membership and enjoy the benefits of the Fund, such as insurance cover at the Fund's low group premium rates, even if you stop working for Heidelberg Australia.

When you leave Heidelberg Australia, your super will be transferred automatically to an account in your name in the Retained Benefits Division of the Fund (providing your benefit is greater than \$2,000). As long as you're under age 65 when you leave, your death and total and permanent disablement (TPD) insurance cover which you had when you were an employee will continue in the Retained Benefits Division at the same level. You have the option to reduce or cancel your cover at any time in the future.

The Fund offers Retained Benefits members insurance fees that are generally much lower than the fees that apply to personal insurance policies. This is because insurance is purchased at group rates and there are no sales commissions. The fees charged depend on your age and your level of cover, and will be deducted from your member account.

To learn more about insurance terms and conditions, refer to the *Insurance Guide*, available from <http://heidaustsf.com> or by contacting the Fund Administrator on **1800 127 953**.

Contributions limits are reducing soon

New, lower limits on the amounts you can put into super and receive favourable tax treatment will start on 1 July 2017. Now's a good time to see if you can make extra contributions before the rules change.

From 1 July 2017, the amount of concessional contributions that receive concessional tax treatment will be \$25,000 per year for everyone.

This is less generous than the current limits, which are:

- › \$30,000 if you are under age 50, and
- › \$35,000 if you are 50 or older on 30 June 2017.

Concessional contributions include your employer's contributions (or notional contributions for Defined Benefit members) and any contributions you make from your before-tax salary, i.e. by salary sacrifice.

If you have questions about concessional contributions, please contact the Fund Administrator on **1800 127 953**. To make or change your additional voluntary contributions, complete an *Application and Change Request form* available from the Fund Administrator or the Fund's website and return the completed form to Julie Sarro (03) 9263 3213.



Contact information

If you have a query about any of the information provided in this newsletter or about your super, please contact Con Xanthos on **(03) 9263 3360** or GK Ng (who replaces Ashad Perera on the Policy Committee) on **(03) 9263 3371**. You can also speak with Con and GK on general information about the Fund's management, features and benefits.

Alternatively, you can contact the Fund Administrator on **1800 127 953** or seek guidance from a licensed financial adviser.

The information in this publication is general information only and does not take into account your particular objectives, financial circumstances or needs. It is not personal or tax advice. Any examples included are for illustration only and are not intended to be recommendations or preferred courses of action. You should consider obtaining professional advice about your personal circumstances before making any financial or investment decision based on the information contained in this document. Please note that past investment performance is not necessarily an indication of future performance.

Issued by Towers Watson Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049), as Trustee of the Heidelberg Australia Superannuation Fund (ABN 75 071 229 817). May 2017.