



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 (see overleaf for contact details).

Have your circumstances changed?

Life is full of unexpected twists and turns. Whether you're celebrating a marriage or welcoming a newborn, when your circumstances change, be sure to tell the Fund who your nominated beneficiaries are. That way, if the unexpected happens, you can rest assured that those who may rely on you for financial support are protected.

You can do this by completing a *Nomination of Preferred Dependants form*. Copies are available at <http://heidaustsf.com/super> or via the Fund Administrator on **1800 127 953**. The Trustee will use this form to assist with its decision as to how to pay your super benefit, although it is not bound to follow your nomination and must act in the best interests of your dependants.



How your super is performing

Overall investment returns for the Fund for the eight months to 28 February 2015 were very strong, despite mixed global economic trends and a weaker Australian economy.

Economic recovery in the US continued throughout the December quarter and continued to gain momentum. Meanwhile, Europe continued to stagnate, although confidence rose slightly in February 2015 ahead of the European Central Bank's quantitative easing program to try to stimulate the European economy.

In Australia, growth continues to be sluggish, despite a slight improvement in the unemployment rate in the December quarter. Australian shares performed broadly in line with international shares, with the S&P/ASX 300 Accumulation Index returning 2.9% over the December quarter. January and February 2015 were good for Australian shares, with the S&P/ASX 300 Accumulation Index increasing by a further 10%.

The Australian dollar continued its slide against the US dollar, beginning October 2014 at 87.52 US cents and falling to 77.92 US cents by the end of February 2015. International share markets posted strong gains. The weaker Australian dollar favoured options with a high proportion of international investments that are exposed to foreign currencies, particularly the Diversified Shares option.

Despite already low oil prices, OPEC announced that it would maintain output, causing the oil price to drop to levels not seen since the Global Financial Crisis. While continuing low prices will place significant financial pressure on countries such as Venezuela and Russia who rely heavily on oil exports, they do lead to growth in industries that rely on oil and energy.

After keeping the official cash rate on hold at 2.5% for the whole of 2014, the Reserve Bank of Australia (RBA) Board decided at its February meeting to lower the cash rate to 2.25%. The move was considered appropriate in light of the target growth and inflation outcomes set by the RBA.

Despite a general rise in bond yields in February, the significant slide in global and Australian bond yields during the December quarter benefited the Capital Stable option which has a higher proportion of fixed interest assets. However, with bond yields at historical lows, future interest rate rises could see the returns to investors with fixed interest holdings reduced considerably or even become negative.

Returns for the eight months to 28 February 2015 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	Year to date (1 July 2014 to 28 February 2015)
Diversified Shares	13.0%
Growth	10.1%
Balanced	8.5%
Capital Stable	6.6%
Cash	1.5%

Note: Returns shown in the above table are net of taxes, investment fees and an allowance of 0.10% per year to build up the Fund's Operational Risk Financial Requirement reserve.

Resources to help you on your journey to retirement...

How much money will you need in retirement? How much more could you save? Are you better off paying down your mortgage or putting the money into super? What should you look for when seeking financial advice? The following resources at www.moneysmart.gov.au can help you find the answers.

- › **Superannuation calculators.** Find out how much super you're likely to have when you retire, see how you can boost your super by making extra contributions, or compare the effect of paying your mortgage or making super contributions. Go to the **"Tools & resources"** tab and click on **"Calculators & apps"**. Scroll down to **"Super & retirement calculators"** and choose from the range available.
- › The **Budget planner** can help you think about what you currently spend your money on and what you might have left over to save. Go to **"Tools & resources"** tab and click on **"Calculators & apps"**. Scroll down to **"Budgeting & savings calculators"**.
- › *Financial advice and you* is a booklet that provides some helpful tips on what to look for when seeking advice from a licensed financial adviser. Go to the **"Investing"** tab and click on **"Financial advice"**.

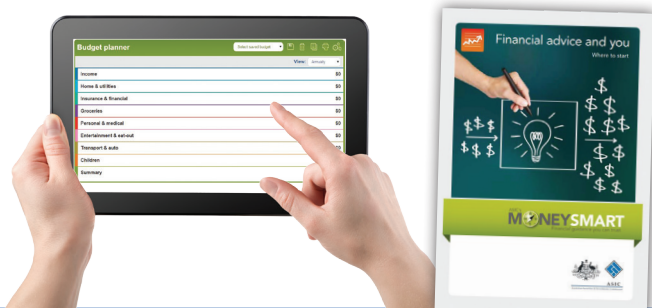


Can you afford to boost your savings?

If you find you could do with a boost to your savings, consider making extra contributions to your super or reviewing how your super is invested. The Retirement planner, in the **Superannuation calculators** section, can show you how your retirement income can be increased as a result of making a few changes. You will be surprised how small changes can really help your super balance in the future. Before increasing your contributions, remember that contribution caps apply.

If you are a Defined Benefit member, your super is calculated based on a formula. Of course you can also make voluntary contributions to your super at any time. The more you can manage to contribute, the greater your benefit.

You can change your contributions or investment choice by completing an *Application and Change Request form*. If you are a Retained member, please complete either the *Personal Contribution form* (to make a contribution) or the *Change form* (to change your investment choice) for Retained Benefits Division Members. Please return the forms as instructed.



How much will I need in retirement?

Current research* shows that, in general, a couple looking to achieve a "comfortable retirement" needs \$58,364 a year, while those seeking a "modest" retirement lifestyle may need \$33,766 a year. Of course, your own circumstances may be different and you may need more or less than this.

A **modest** retirement lifestyle is better than the Age Pension, but where you are still only able to afford fairly basic activities.

A **comfortable** retirement lifestyle allows involvement in a broad range of leisure and recreational activities and for you to have a good standard of living through the purchase of such things as: household goods, private health insurance, a reasonable car, good clothes, a range of electronic equipment, and domestic and occasionally international holiday travel.

* ASFA Retirement Standard, The Association of Superannuation Funds of Australia Limited, December Quarter 2014.

Need a financial adviser?

A financial adviser can help you work out your personal retirement goals. Towers Watson Australia Pty Ltd has arrangements in place to offer members financial planning services through qualified financial planners. You can call them on (03) 9655 5222. You can also contact the Financial Planning Association of Australia on 1300 626 393 or visit their website at www.fpa.com.au for assistance in finding a financial planner near you.

Contact information

If you have a query about any of the information provided in this newsletter, or about your super, please contact Ashad Perera in the first instance on (03) 9263 3374. The other Policy Committee members, Noel Renwick, Guy Williamson and Con Xanthos, can also assist with 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 your personal 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.

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