



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 the Fund's Policy Committee.

How your super is performing

Vaccination rollouts gained significant momentum over the June quarter, with 2.2 billion COVID shots administered globally by the end of June 2021. Investor sentiment picked up with the prospect of faster reopening of economies, despite new, more contagious COVID-19 strains. International shares continued to rally, returning 7.6%* over the quarter (MSCI World ex Australia Index, hedged to AUD). Meanwhile, tensions between the US and China continued to linger.

US shares continued to perform strongly, with news of President Biden securing a deal on a \$1.2 trillion infrastructure package. The US Federal Reserve announced no changes to its policy, reaffirming there would be no interest rate hike until at least 2023. European shares climbed by 4.9%* (Euro Stoxx 50 Index), helped by increased investor confidence due to nearly half of the EU's adult population having had at least one dose of a COVID-19 vaccine. The Chinese share market soared, and Japanese shares rose slightly by 1.2%* over the quarter (MSCI Japan Index). However, the persistence of COVID-19 cases has heightened criticism of the Japanese government's response.

The outlook for the Australian economy remained positive despite the rapid rise in COVID-19 infections, particularly in New South Wales. With the vaccination roll-out still slow relative to other developed countries and fresh lockdown measures in place towards quarter end, the recovery is set to slow.

Australian shares rose by 8.5% over the quarter (S&P/ASX 300 Accumulation Index). Data released in the June quarter reflected a third straight quarter of economic growth and a slight fall in the unemployment rate, despite the JobKeeper scheme having ended earlier in the year. During its June meeting, the Reserve Bank of Australia (RBA) Board left the cash rate unchanged at 0.1% and reaffirmed its decision to not increase the rate until at least 2024, when inflation is expected to be within its target range. The Australian dollar depreciated against the US dollar and other major currencies, falling from 75.96 US cents at the end of March to 74.98 cents at the end of June.

Global listed property showed steady signs of recovery, returning 9.0% over the June quarter (FTSE EPRA/NAREIT Developed Rental Net TRI Index, AUD hedged).

Returns for the year to 30 June 2021 are shown in the table below. These represent the interim crediting rates for the year. The final rates will be determined by the Trustee and will appear on your annual *Benefit Statement*, which is expected to be issued to members in October 2021. The final crediting rates may differ from the interim rates below.

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

Investment option	Year to 30 June 2021
Diversified Shares	27.78%
Growth	18.62%
Balanced	12.52%
Capital Stable	7.97%
Cash	0.23%

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

* Returns from international shares are expressed in local currency terms (i.e. hedged to Australian dollars).

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) 9548 6210 or GK Ng on (03) 9548 6218. 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.



Higher contribution caps from 1 July 2021

Making contributions to super is a great way of saving for retirement. However, it's important to keep your contributions within the yearly caps in order to receive favourable tax treatment and to avoid paying extra tax. These caps increased from 1 July 2021.

What are the caps from 1 July 2021?

The **concessional contributions** cap for the 2021/22 financial year has increased to \$27,500. This cap includes:

- › any contributions you make from your before-tax salary i.e. by salary sacrifice;
- › any personal contributions for which you claim a tax deduction; and
- › your employer's contributions or notional contributions in respect of your defined benefit (see box below).

A higher cap may apply if, in recent financial years you did not use all your concessional caps and your total superannuation balance at 30 June 2021 was under \$500,000[^].

Arrangements for Defined Benefit members

The amount of concessional contributions that count toward the cap in respect of your defined benefit (your "notional contributions") is calculated by the Fund actuary in accordance with special rules, rather than your employer's actual contributions. To learn more about your notional employer contributions in the Fund, contact Julie Sarro on (03) 9548 6216 or at julie.sarro@heidelberg.com.

A separate cap of \$110,000 applies to **non-concessional contributions** (generally these are after-tax contributions for which you have not claimed a tax deduction; some other amounts also count as non-concessional contributions). In some cases, you may be able to make non-concessional contributions of up to \$330,000 in one lump sum or via a combination of contributions[^].

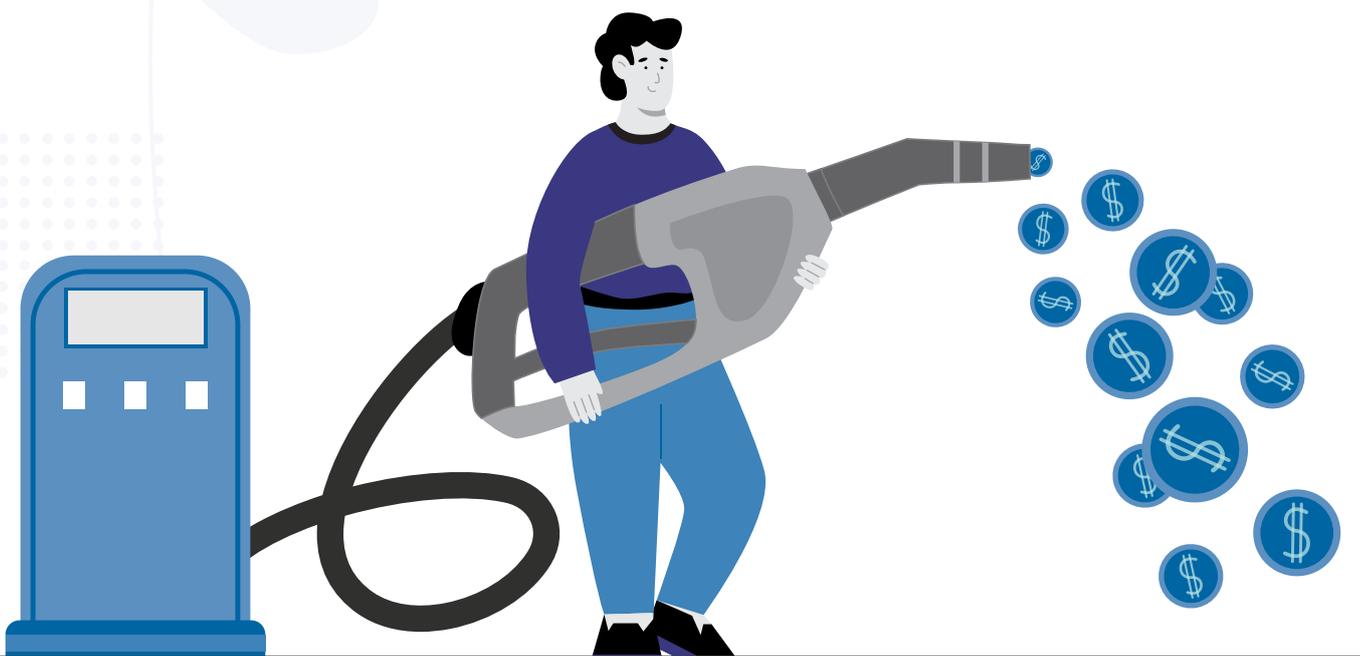
[^] Conditions apply. Further information is in the "Super and Tax" factsheet, which is available at <http://heidaustsf.com> under "Newsletters".

How do I change my contributions?

If you have questions about 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* which is available at <http://heidaustsf.com> or from the Fund Administrator and return it to Julie Sarro, Human Resources Department.

If you need help on retirement planning, you should seek advice 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). August 2021.