

ANNUAL MEMBER NEWSLETTER

December 2018



It's that time of year

Find out how your super performed for the 2018 financial year and how your super is tracking now by logging in to Member Online. View the latest investment performance, check your personal information and the benefits that are available to you.

ANNUAL MEMBER STATEMENT

Keep an eye out for your Annual Member Statement in your Member Online Reports Inbox. Checking your Annual Member Statement information can make a big difference:

Things to check

- **Your personal details** - ensure your money does not end up in lost super.
- Compare your balance, investment returns and fees - do they look right?
- Your contributions, and payments - are they all there?
- **Tax** - superannuation funds are taxed at 15% as long as your tax file number has been provided to the Fund.
- **Insurance** - life insurance may change during life stages.
- **Your your nominated beneficiaries** - binding death benefit nominations can expire after three years.
- **Search online for any lost or multiple super funds and consolidate** (after considering costs, returns, employer arrangements, insurance and super fund benefits).



If you don't understand your superannuation statement, or if you have any queries, contact Member Services on **1300 654 720**. Your statement is available via your Member Online account, providing a safe place to keep track of your super over time. Member Services is here to help you. Keep your superannuation fund contact details handy in case you need them.

EXCITING NEWS



What's available at Member Online

- The Super tab allows you to manage your account, including viewing your current balance, and transactions received, change your contribution profile, initiate a death benefit nomination
- The Reports InBox contains any Incoming mail, including your annual member statement, confirmation of investment changes, change of nominated beneficiary, etc.
- News provides updates on what is happening in your Member account and the Fund
- The Research tab has investment information, including investment performance, fund updates, and newsletters.
- FAQ/Forms has helpful information including product disclosure statements and guides, forms.
- Transact allows you to place investment switches between investment options online
- Reports provides you with a range of downloadable performance summaries and valuations
- Change your password in Profile.



Highly regarded investment consultant appointed

Mercer Investments (Australia) Limited was appointed by the Trustee as the Funds Asset Consultant from 1 July 2018. Mercer has substantial experience in dealing with all aspects of superannuation in Australia, and will work with the Trustee to provide the Fund with appropriate investment solutions and investment management in the future. Mercer will advise on the appropriate mix of passive and active investment options, including the selection, appointment, and ongoing evaluation of investment managers within these options.

Mercer employs an industry leading process in asset allocation modelling to provide the best possible investment outcome within set risk targets. Its multi-manager approach allows the selection of optimal combinations of investment managers to achieve exposure to a range of investment markets and management styles, maximising the potential to produce consistent performance throughout market cycles.

Mercer will also be providing quarterly investment commentary, with further enhanced investment features being introduced to members throughout 2018 and 2019.



Want to know more?

Give the Member Services Team a call. They will set up your login and transact password details and walk you through how to use Member Online.

INVESTMENT UPDATE

Positive returns achieved for the 2017/2018 financial year

The following table shows the returns on the Pooled Investment Options available.

Investment Option	Risk	1 m	3 m	6 m	FYTD	1 yr	3 yr	5 yr	10 yr	Since inception	Inception date
Cash	Very Low	1.6%	1.7%	1.5%	2.0%	2.0%	1.0%	1.1%	N/A	1.1%	30/06/2013
Cash - Pension	Very Low	1.6%	1.6%	1.7%	2.0%	2.0%	1.0%	1.1%	N/A	1.1%	30/06/2013
Smartsave Cash Benchmark ²		0.1%	0.4%	0.8%	1.5%	1.5%	1.7%	2.0%	N/A	2.0%	
Managed Stable	Low to Medium	2.3%	3.8%	2.9%	5.9%	5.9%	3.5%	4.2%	3.7%	3.6%	31/07/2001
Managed Stable - Pension	Low to Medium	2.6%	4.0%	3.0%	6.5%	6.5%	4.2%	4.9%	4.3%	4.1%	31/07/2001
Smartsave Managed Stable Benchmark ²		1.0%	2.8%	2.3%	5.8%	5.8%	4.9%	6.3%	6.0%	5.7%	
Balanced	Medium	2.8%	5.1%	3.4%	8.3%	8.3%	5.0%	6.0%	4.3%	4.2%	31/07/2001
Balanced - Pension	Medium	3.1%	5.2%	3.4%	7.7%	7.7%	5.3%	6.5%	4.8%	5.2%	31/07/2001
Smartsave Balanced Benchmark ²		1.4%	3.9%	3.0%	8.0%	8.0%	6.1%	7.9%	6.5%	5.8%	
MySuper Balanced	Medium	2.9%	5.2%	3.8%	9.0%	9.0%	5.7%	N/A	N/A	6.0%	31/12/2013
Smartsave MySuper Balanced Benchmark ²		1.4%	3.8%	3.1%	8.0%	8.0%	6.0%	N/A	N/A	7.0%	
Growth	Medium to High	3.4%	6.9%	4.0%	10.8%	10.8%	6.4%	7.8%	4.6%	4.5%	31/07/2001
Growth - Pension	Medium to High	3.5%	7.2%	3.6%	10.8%	10.8%	7.2%	8.5%	4.9%	4.5%	31/07/2001
Smartsave Growth Benchmark ²		1.8%	5.5%	3.6%	10.6%	10.6%	7.5%	9.8%	6.7%	5.7%	
High Growth	High	4.2%	8.6%	5.1%	13.5%	13.5%	7.9%	9.2%	5.2%	4.8%	28/02/2005
Smartsave High Growth Benchmark ²		2.3%	6.8%	4.4%	13.3%	13.3%	8.7%	11.6%	6.9%	6.4%	

1 Returns are based on the actual investment options, and are net of all investment fees, costs and taxes. Returns shown for 1 year periods or longer are annualised amounts. Past performance should not be relied upon as an indication of future returns.

2 Refer to the Smartsave Investment Guide for further information on the benchmark and objectives of each Investment Option.

QUARTERLY COMMENTARY AND OUTLOOK JUNE 2018

Economy and markets

Following synchronised growth and low volatility for much of 2017, the halfway mark of 2018 reflected a different landscape, with:

- economies starting to diverge
- volatility returning to markets
- United States dollar (USD) appreciation trailing emerging markets,
- the Global Manufacturing Purchasing Managers' Index (PMI) slowing down to an 11-month low, albeit still reflecting expansion, despite continued strength coming from the US.

Australian Q1 economic growth data was released in June, reflecting the highest annual growth rate (3.1%) since Q2 2016, spurred on by a strong quarter for exports, government spending and household consumption.

Domestic manufacturing has followed a similar positive trend as June data reflected expansion in the manufacturing sector.

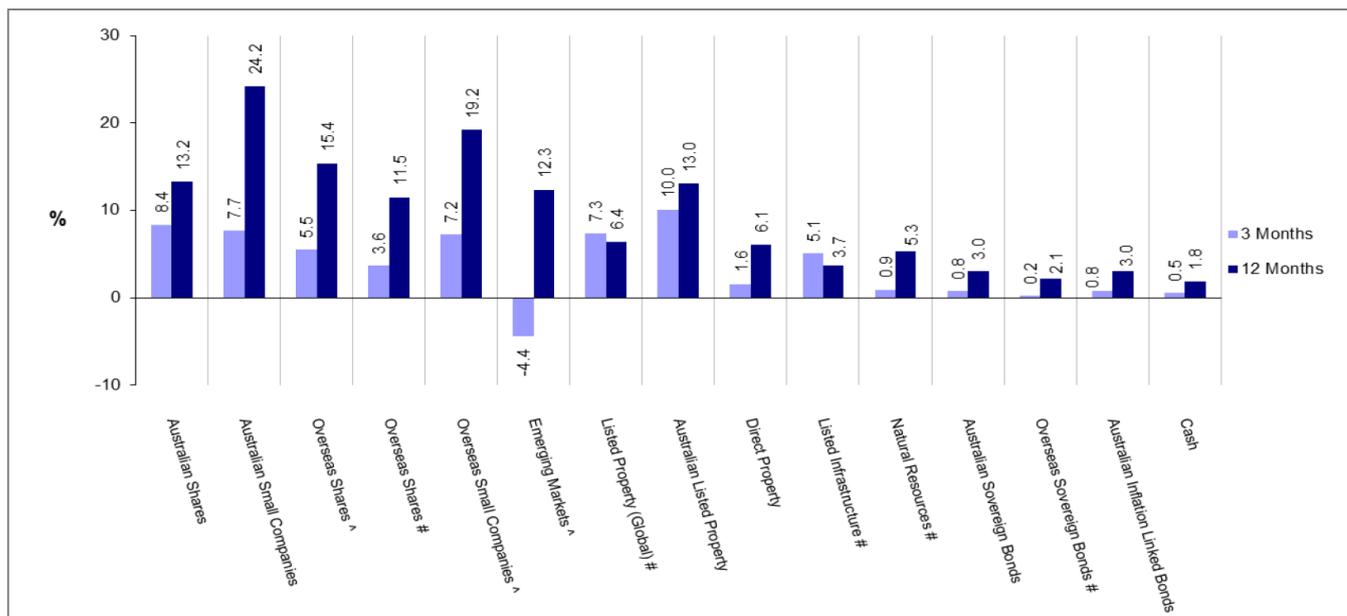
Australian shares also fared well, as the ASX/S&P 300 Index increased by 8.4% over the June 2018 quarter, outperforming most major international markets.

Financial shares lagged while energy and materials shares rose strongly as commodity prices appreciated in Australian dollar terms. Healthcare shares also made a strong contribution.

Following ongoing economic strength, the US Federal Reserve continued to tighten monetary policy settings, hiking rates by 0.25% in June to a range of 1.75% to 2.00%. This contributed to a stronger USD. The US yield curve flattened further over the quarter, now at levels not seen since the years immediately preceding the Global Financial Crisis.

The strong Australian sharemarket and depreciating AUD provided favourable conditions for diversified portfolios over Q2 2018, particularly those with unhedged international equity exposures. The major laggard over the quarter was Emerging Markets (EM) equities, falling 4.4% (as measured by the MSCI EM Index in AUD terms), driven largely by weakness in EM currencies and declines in Chinese shares.

Financial market returns to 30 June 2018



Past performance is not a reliable indicator of future performance.

^ Mercer Multi-Manager Funds Quarterly Report - Three Months to 30 June 2018.
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