



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.

Happy holidays

We wish all our members a happy and safe holiday season.

Super Update will return in 2020 to keep you updated about the Heidelberg Australia Superannuation Fund.



Contact information



If you have a query about any of the information provided in this newsletter or about your super, please contact our Policy Committee members: 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.

How your super is performing

International share markets were volatile over the September 2019 quarter. This was in response to a combination of factors, including: the trade war between the US and China; a less positive economic outlook in the US resulting in two interest rate cuts; a drone attack on Saudi Arabian oil infrastructure; and mass protesting in Hong Kong. In the UK, uncertainty over Brexit continued, with Boris Johnson leading negotiations after replacing Theresa May as Prime Minister in July.

October had more stable economic conditions and some more positive news with the US and China appearing to have reached a mini-trade deal. The UK and the EU reached a new agreement on a Brexit deal, although whether this passes will depend on the make-up of Parliament following the 12 December UK election.

Taking into consideration the Australian dollar's movement against other currencies, international share markets returned 5.1% over the four months to 31 October 2019. In contrast, Australian shares gained 2.1% over the same period, following falls in both the manufacturing and business confidence measures and the ongoing weakness of the Australian economy.

The Reserve Bank cut interest rates to 1% in July and subsequently to a new record low of 0.75% in October.

The Australian dollar (AUD) depreciated against the US dollar, beginning the September quarter at 70.20 US cents and falling to 68.94 US cents by the end of October. Australia's Trade Weighted Index changed marginally over the same period.

Returns for the Fund's options more heavily invested in shares (like Diversified Shares, Growth) are directly affected by the movements in the share markets. The options which contain a higher exposure to Australian and international fixed interest investments (e.g. Capital Stable) have benefited from the general decline of bond yields over the four months to 31 October 2019.

Returns for the four months to 31 October 2019 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 2019 to 31 October 2019
Diversified Shares	3.1%
Growth	2.5%
Balanced	2.2%
Capital Stable	1.6%
Cash	0.4%

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

Fees update

From 1 October 2019, there were some changes to the Fund’s investment fees – slight increases for two options and decreases for three options (see table below). The Fund’s investment fees compare favourably to other superannuation funds, including industry funds.

Investment option	Old fees	New fees from 1 October 2019	Movement
Diversified Shares	0.55% p.a. to 0.65% p.a. (\$5.50 to \$6.50 per \$1,000)	0.48% p.a. to 0.58% p.a. (\$4.80 to \$5.80 per \$1,000)	↓
Growth	0.43% p.a. to 0.51% p.a. (\$4.30 to \$5.10 per \$1,000)	0.41% p.a. to 0.49% p.a. (\$4.10 to \$4.90 per \$1,000)	↓
Balanced	0.33% p.a. to 0.39% p.a. (\$3.30 to \$3.90 per \$1,000)	0.34% p.a. to 0.40% p.a. (\$3.40 to \$4.00 per \$1,000)	↑
Capital Stable	0.20% p.a. to 0.24% p.a. (\$2.00 to \$2.40 per \$1,000)	0.21% p.a. to 0.25% p.a. (\$2.10 to \$2.50 per \$1,000)	↑
Cash	0.10% p.a. to 0.12% p.a. (\$1.00 to \$1.20 per \$1,000)	0.09% p.a. to 0.11% p.a. (\$0.90 to \$1.10 per \$1,000)	↓

Investment fees are deducted from investment returns before they are applied to your accounts. These fees only apply to benefits that are linked to investment returns. They do not apply to benefits that are linked to salary (i.e. any defined benefit you may have).

The Fund’s Product Disclosure Statement was updated in October to reflect the new fees. A copy is available at <http://heidaustsf.com>.

Have you read your 2019 Annual Review pack?

In October you received your 2019 *Benefit Statement* and the Fund’s 2019 *Annual Report*. We encourage you to have a read, so that you can see important details such as:

- The movements in and out of your account;
- What insurance you have; and
- How your super account is invested.

You’ll also be able to check who you have nominated to receive your death benefits.

In this year’s *Annual Report*, you’ll find simple tips on how to review your super arrangements to ensure you are getting the most from your super. The Report also explains the risk/return trade-off when it comes to investments.

If you have not received your Annual Review pack, please contact the Fund Administrator. You will also find a copy of the 2019 *Annual Report* at <http://heidaustsf.com>.



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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