



a super start  
setting up for your future

# Super Update

setting up for your future

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.

## Have your circumstances changed?



When your personal circumstances change, such as if you marry, divorce or you have children, it's important to update your nomination of beneficiaries. This way, the Trustee will have a guide when deciding who to pay your super benefits to in the event of your death.

To make or update your nomination, complete a *Nomination of Preferred Dependents form* available from <http://heidaustsf.com> or from the Fund Administrator on **1800 127 953** and return it as directed.

## 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.

## How your super is performing

The US-China trade war, slowing global economic growth and Brexit uncertainty were the key themes in the early months of 2019. While there was uncertainty surrounding economic outcomes (particularly around a lack of upward pressure on headline inflation) and geopolitical risks, the market found some reprieve on certain major issues, namely that the US and China appeared to be reaching a resolution around the introduction of tariffs. International share markets continued their upward trajectory in April following the rebound in the March quarter, with the exception of China. However, this optimism was short lived.

With the exception of Australia, all major share markets posted negative returns in May. The performance of international share markets reflected renewed trade war concerns, following the breakdown of trade negotiations between China and the US, whilst falling government bond yields continued to signal a negative outlook for the global economy.

In Australia, economic concerns continued during the March quarter, with the economy being under pressure from low wages growth and a falling housing market. Economists inferred that consumers were likely to spend less as a result.

A shock election result on 18 May – which saw Scott Morrison and the Coalition being re-elected – was seen as a positive for the Australian economy by investment markets, with local shares performing positively as a result, against the trend of market falls. The surprise victory removed investors' fears over the Labor Party's proposed changes to tax policies that would have impacted negative gearing on investment properties, and the removal of cash refunds to some investors via franking credits.

The Australian dollar rose during the March 2019 quarter but depreciated during the months of April and May against the USD, finishing at 69.38 US cents by the end of May, down from 70.49 US cents at the end of December 2018.

The Reserve Bank of Australia (RBA) continued to keep interest rates on hold during the first five months of 2019. However, pressure increased on the RBA to make a rate cut sooner rather than later. In a result expected by markets, the RBA officially cut interest rates in early June – the first time since August 2016 – to a new record low of 1.25%, in an attempt to stimulate the slowing economy and return inflation to within the 2%-3% target range.

Returns for the Fund's options more heavily invested in shares (like Diversified Shares, Growth and Balanced) are directly affected by the movements in the share markets. Returns for the eleven months to 31 May 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 2018 to 31 May 2019
Diversified Shares	5.5%
Growth	5.6%
Balanced	5.7%
Capital Stable	4.7%
Cash	1.6%

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

Since October 2018 part of the Fund's ORFR reserve was refunded to members with Accumulation accounts. This resulted in an additional 0.1% being applied to members' accumulation accounts (in addition to the returns shown in the above table).

# When can you access your super?

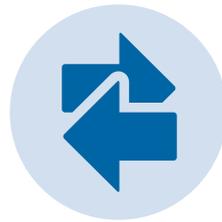
So there is as much money as possible in your super account when you retire, the Government limits when and how you can access your super.



**1.** You cannot generally take your super benefit as cash until you have “retired”\* after reaching your preservation age. Your preservation age depends on when you were born.



**2.** You can receive your super savings in cash after you have reached age 65 regardless of whether you are working.



**3.** You may also access your super on reaching your preservation age but before being “retired” by rolling over part or all of your benefit into a “transition to retirement” pension.

For more information, go to the Government’s MoneySmart website at [www.moneysmart.gov.au](http://www.moneysmart.gov.au) (hover over “Superannuation & retirement” and choose “Retirement income”).



**4.** In some limited circumstances, you may be able to access your super early\*, for example:

- › **Incapacity:** you suffer a permanent incapacity.
- › **Terminal medical condition:** you have a terminal illness and are given two years or less to live.
- › **Severe financial hardship:** you aren’t able to meet living expenses while receiving Government benefits.
- › **Compassionate grounds:** you need to pay for items such as medical treatment, palliative care or funeral expenses.

\* Conditions apply. Refer to the Product Disclosure Statement for more information available on <http://heidaustsf.com>.

Date of birth	Preservation age
Before 1/7/1960	55
1/7/1960 to 30/6/1961	56
1/7/1961 to 30/6/1962	57
1/7/1962 to 30/6/1963	58
1/7/1963 to 30/6/1964	59
1/7/1964 or later	60

Note that different rules may apply to the Defined Benefit portion of your super in the Fund – contact the Fund Administrator for more information.

**Leaving your money in the super system as long as possible before you stop working gives you more time to grow your super.**



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). July 2019.