

MaritimeFocus

THE NEWSLETTER FOR MARITIME SUPER MEMBERS



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Cover image:

Aurora Australis on ice

Contributed by Joe McMenemy

Market review

Financial year returns are strong ...

... but sharemarket volatility continues to dominate the headlines

If you believe all the doom and gloom in the media over the past year regarding sharemarket volatility, you could be forgiven for thinking that all of your superannuation has been wiped out. While market volatility and the factors that affect it are closely monitored by the Trustee and our investment advisers, the long-term returns for Maritime Super have been strong.

The Growth and Balanced Options (where almost all our members are invested) returned near double-digit returns for the financial year ending 30 June 2011. The Growth option returned 9.97% and the Balanced option 9.61% during this period - this saw Maritime Super outperforming many other industry and retail funds.

For members who invested in our Conservative option and for those who utilise Cash Enhanced and Cash options, the returns were also positive.

Australian and international shares

While the international sharemarkets took some heavy falls over the year due to macroeconomic issues (such as sovereign debt concerns - in Greece, Spain and Italy in particular) and economic data from the United States pointing to a possible recession, the return for the year on this portfolio was over 12%.

While the Australian economy remains strong on the back of Chinese demand for our resources, the market continued to suffer as a result of negative sentiment from the internal factors. Despite all the ups and downs, Maritime Super returned over 12% from its Australian sharemarket exposure.

Alternatives

Maritime Super has a very diversified portfolio and our investments in private equity and other alternatives (such as infrastructure and absolute-return funds) saw significant gains in these portfolios.

The returns for the Fund's growth and defensive alternatives were all in the double digits and were a significant part of the overall financial year's performance in the Growth and Balanced options.

Property

The Fund's direct property investments were solid rather than exceptional due to the prevailing mood of the Australian property market. The Fund was still able to post a return of almost 6% for our investments across the retail and commercial property sectors.

Fixed interest and cash

Our fixed interest and cash options posted modest returns consistent with the prevailing bond market conditions that existed during the year. Short-term interest rates in developed economies remain low, although China and India continue to raise their short-term rates in response to inflationary pressures.

Future outlook

The events on the international macroeconomy continued throughout July and August to see the highest levels of volatility since the days of the global financial crisis. US economic data caused major concerns during August as unemployment rose and there were fears of another recession. The events in Europe in relation to debt concerns with Italy and Spain also meant the negative sentiment was prevalent for international investors.

The Australian sharemarket continued to be affected by the global marketplace, even though Australian companies continued to perform strongly.



Visit our website at
www.maritimesuper.com.au
to learn all about our investments
and investment performance

Changes to our fee structure

Managing the Fund in the best interest of all members has always been Maritime Super's core objective. With this in mind, and given the ever-changing size and diversity of the Fund membership, the Board is currently reviewing how management costs are best met by the membership so that costs are shared equitably and fairly by all members.

Management costs relate to the expenses associated with running the Fund and the investment management costs that are incurred by utilising the skill and expertise of external investment experts. The fees we incur are currently deducted from investment earnings before the unit prices are set. In this structure, the actual cost to members varies depending on their account balance.

While our actual investment costs are directly charged to the Fund on the basis of the asset base, the other management costs are not totally dependent on the size of our assets. For example, it will cost the same to produce communication materials (such as product disclosure statements) for a member with \$1,000 as it does for a member with a \$100,000. In these and other situations, the small accountholders may not contribute sufficient funds to cover their share of expenses, and these costs will be borne by members with larger account balances.

Therefore, in the interest of fairness to all members, the Trustee is considering introducing an alternative structure that is more equitable. The preferred new structure is to introduce a flat-dollar administration fee that is deducted directly from members' accounts which will complement the current process of bearing costs from the unit prices.

There will be no extra cost for the Fund due to this change; it is simply rearranging the recoupment of our fees from members in a different and more equitable manner.

We anticipate that the new fee structure will be implemented from 1 July 2012 and we will provide further details well in advance of its introduction.

Investment performance

Maritime Super's investment strategy remains focused on long-term fundamentals that will benefit our members. While short-term volatility needs to be monitored, the Trustee does not make rash short-term decisions that are based on trying to pick (or time) market movements. We encourage our members to remain focused on their long-term position and to speak to our Member Services and financial planning teams if you have any concerns.

The Maritime Super investment options demonstrate the strength and diversity of our portfolio and the expertise and resources of our investment managers.

The returns for 2010/11 and the previous five financial years are listed in the table below.

Investment performance - to 30 June 2011

| Investment option | FY10/11 | FY09/10 | FY08/09 | FY07/08 | FY06/07 |
|-------------------|---------|---------|---------|---------|---------|
| Growth | 9.97% | 9.63% | -19.78% | -9.95% | 19.15% |
| Balanced | 9.61% | 11.93% | -16.10% | -5.31% | 15.59% |
| Conservative | 7.57% | 9.52% | -6.60% | -0.04% | 8.98% |
| Cash Enhanced | 5.42% | 4.47% | 2.47% | 5.60% | 5.82% |
| Cash | 3.83% | 2.82% | N/A | N/A | N/A |

The historic returns prior to 1 March 2009 for the following investment options are based on the returns of the most closely corresponding SERF or SRF investment option for the period:

- Growth – SERF Growth
- Balanced – SRF Balanced
- Conservative – SERF Capital Stable
- Cash Enhanced – SERF Capital Protected
- Cash – offered to members from 1 January 2009

Each Maritime Super option has the same overall split between growth and defensive assets as its corresponding SERF or SRF option, and its asset mix is also closely aligned with the asset mix of the corresponding option.

Please note that these returns are net of fees and taxes and apply to accumulation accounts. Different net rates of return apply to pension products and certain employer-sponsored categories where the employer may meet the administration costs - refer to the website or contact Member Services for more information.

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



Receive your next Annual Statement and Annual Report by email

Maritime Super is committed to reducing paper usage, reducing the overall cost to members.

You can opt in to receive the next Annual Report (to be published in December) and Annual Statement by email - by doing so, you are reducing your own carbon footprint and doing your bit for the environment.

To elect to receive your Annual Statement and Annual Report by email, contact Member Services or email us at info@maritimesuper.com.au

Don't leave your super out in the cold

Winter is the perfect time to stay warm and organise your finances. Making a few small changes now can have a huge impact on your super when you retire. Here are a few ways to fire up your super ...

Know your super position

You'll shortly be receiving your annual statement in the mail – have a look at the balance and think about whether you're on track to retiring comfortably. If you don't think you'll have enough super to live comfortably, now's the time to plan a course of action.

Take advantage of the services offered through one of Maritime Super's affiliated financial planners (located in Sydney, Melbourne and Fremantle and shortly in Brisbane) – they can review your current situation and work with you to formulate a plan to steer you towards achieving your retirement goals.

Contact Member Services on 1800 757 607 to make an appointment with a financial planner.

Fire up your super savings

For many people, the 9% compulsory Superannuation Guarantee contributions made by your employer will not be enough when you are ready to retire. This means that, in order to enjoy a comfortable retirement, chances are you'll need to make extra contributions on top of those made by your employer.

The best way to fire up your super savings is to start making additional contributions today - even just a few dollars a week can make a big difference over the long term. The sooner you start saving, the more time your money has to grow – plus you'll enjoy the effects of compounding interest.

There are several ways to make additional super savings:

1. Salary sacrifice

Salary sacrifice is a way of contributing to superannuation. When you salary sacrifice, you are giving up (or 'sacrificing') a portion of your salary so that some of your before-tax salary is directed to your super account instead of being paid to you.

Salary sacrificing can be a tax-effective way of contributing to super if your marginal tax rate (plus the Medicare levy) is greater than the 15% contributions tax rate applying to salary sacrifice contributions.

2. After-tax voluntary contributions – you may even be eligible for the Government co-contribution

You may prefer to make additional contributions from your after-tax salary - if this is the case, you may be eligible for the Government co-contribution, which has been designed to boost Australians' retirement savings for low income earners.

If you are eligible, the Government will contribute up to \$1.00 for every dollar in after-tax contributions you make to your super (up to \$1,000). Visit our website to learn more about the Government co-contribution.

Get fit – financially FIT, that is

Although winter is synonymous with lower levels of motivation, one habit that is well worth cultivating is to visit The Gym regularly – and you don't even need to leave home to do so!

The Gym (provided by innergi) is accessed from Maritime Super's homepage, and offers a wealth of interactive financial tools and information such as self-paced learning modules, quizzes and useful calculators. It delivers personalised education through a wide range of interactive learning tools.

Best of all, it's absolutely free of charge for Maritime Super members.

To visit The Gym, go to www.maritimesuper.com.au, click the link on the homepage and log in via MemberOnline.



Roll over and save

If you have several super accounts, you might like to think about consolidating all of your super in your Maritime Super account. By rolling over, you could save on fees and paperwork, plus it's easier to manage your investments, so you can be sure that your super is working effectively for you.

Look out for the *Rollover form* enclosed with your Annual Benefit Statement.

The Flood Levy

What is the Flood Levy?

The Flood Levy has been designed to help affected communities recover from the natural disasters that occurred earlier this year by providing additional funding to rebuild essential infrastructure (the rebuilding of roads, bridges and schools, for example).

The Flood Levy will apply to income earned between 1 July 2011 to 30 June 2012. If you have a taxable income over \$50,000 in the 2011/12 financial year, and if you are not eligible for an exemption, you will have to pay the Flood Levy. Certain payments received from a superannuation fund are considered taxable income for the purposes of the Flood Levy - refer to the *Flood Levy information sheet* (available from the website or by contacting Member Services) to learn more.

How much is the Flood Levy?

| Taxable income | Flood Levy on this income |
|-----------------------|---|
| \$0 to \$50,000 | Nil |
| \$50,001 to \$100,000 | Half a cent for each \$1 over \$50,000 |
| Over \$100,000 | \$250 plus 1c for each \$1 over \$100,000 |

To learn more, visit us at www.maritimesuper.com.au or contact Member Services.

Who will you ask ?

On Thursday
15 September

RU OK? DAY™

RU OK?Day is a national day of action which aims to reduce suicide by inspiring Australians to reach out to their friends and loved ones and ask "RU OK?". By simply connecting with people in your life – not just those at obvious risk – you can help stop little problems turning into big ones.

A conversation could change a life:

- 1 Ask RU OK?
- 2 Listen without judgement
- 3 Encourage action
- 4 Follow up

Visit www.ruokday.com.au to register your workplace and access resources.

Proud supporter:

Super friend
someone to turn to

Principal sponsor:



Join the family



Do you know someone who has wanted to join Maritime Super but couldn't? Now they can.

You can nominate your family and friends for Maritime Super membership, which means that they can now join the fund that puts members first - plus, they can access a host of benefits:

- low fees and a profit-for-members philosophy
- flexible investment options with solid long-term returns
- professional member services and administration
- affordable voluntary insurance cover
- quality, personalised financial planning
- access to other products and services, such as discounted travel and banking services and competitive home loans.

Contact Member Services on 1800 757 607 if you'd like your family and friends to join the Maritime Super family.

Member photos – submit your entries now for the 2012 Calendar



We're currently compiling a shortlist of member photos for inclusion in our 2012 Annual Calendar, and would love to include your maritime-themed photo in the calendar.

Simply email your photo to us at info@maritimesuper.com.au by 1 October 2011.

The twelve best photos will be published in the calendar, plus you will be in the running for the 'Photo of the Year'.

Noticeboard

Financial planning seminars - coming to a location near you

Maritime Super will be presenting a series of seminars as follows:

| Location | Date | Venue |
|-------------|---|---|
| Brisbane | Monday, 26 September 10am – 11.30am | MUA Brisbane 73 Southgate Ave, Cannon Hill |
| Mackay | Tuesday, 27 September 2.00pm – 3.30pm | QLD Council of Unions 41 Brisbane Street, Mackay |
| Townsville | Wednesday, 28 September 10am – 11.30am | 18 McIlwraith Street South Townsville |
| Darwin | Thursday, 29 September 10am – 11.30am | Stokes Hill Wharf Tinter Street, Darwin |
| Melbourne | Tuesday, 4 October 10am – 11.30am | MUA Union Room 46-54 Ireland Street, West Melbourne |
| Newcastle | Wednesday, 5 October 11am – 12.30pm | MUA Newcastle 406-408 King Street, Newcastle West |
| Adelaide | Wednesday, 5 October 10am – 11.30am | MUA Port Adelaide 65 St. Vincent Street, Port Adelaide |
| Port Kembla | Thursday, 6 October 11am – 12.30pm | Port Kembla Leagues Club 3 Wentworth Street, Port Kembla |
| Devonport | Monday, 10 October 10am – 11.30am | MUA East Devonport 59 Wright Street, East Devonport |
| Hobart | Tuesday, 11 October 10am – 11.30am | Hotel Grand Chancellor 1 Davey Street, Hobart |
| Fremantle | Tuesday, 11 October 10am – 11.30am | MUA Fremantle 2-4 Kwong Alley, North Fremantle |
| Sydney | Friday, 14 October 10am – 11.30am | Wesley Conference Centre 220 Pitt Street, Sydney |

Keep an eye out for your invitation in the mail.



This newsletter has been issued by Maritime Financial Services Pty Limited (MFS). Refer to your Financial Services Guide for more information on MFS. While every effort has been made to ensure the accuracy of this newsletter, MFS gives no warranty as to the reliability of this information.

This newsletter contains general information only and does not take into account your individual objectives or financial situation or needs. Consequently, you should consider the appropriateness of any general information in relation to your situation before making an investment decision. MFS recommend you seek individual advice before making any decisions concerning your superannuation.

The Fund's Member Guides and MFS' Financial Services Guide are available by calling Member Services on 1800 757 607. You should consider the Member Guide in deciding whether to acquire or to continue to hold a product.

Past performance is not necessarily an indication of future performance.

Toll Free

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