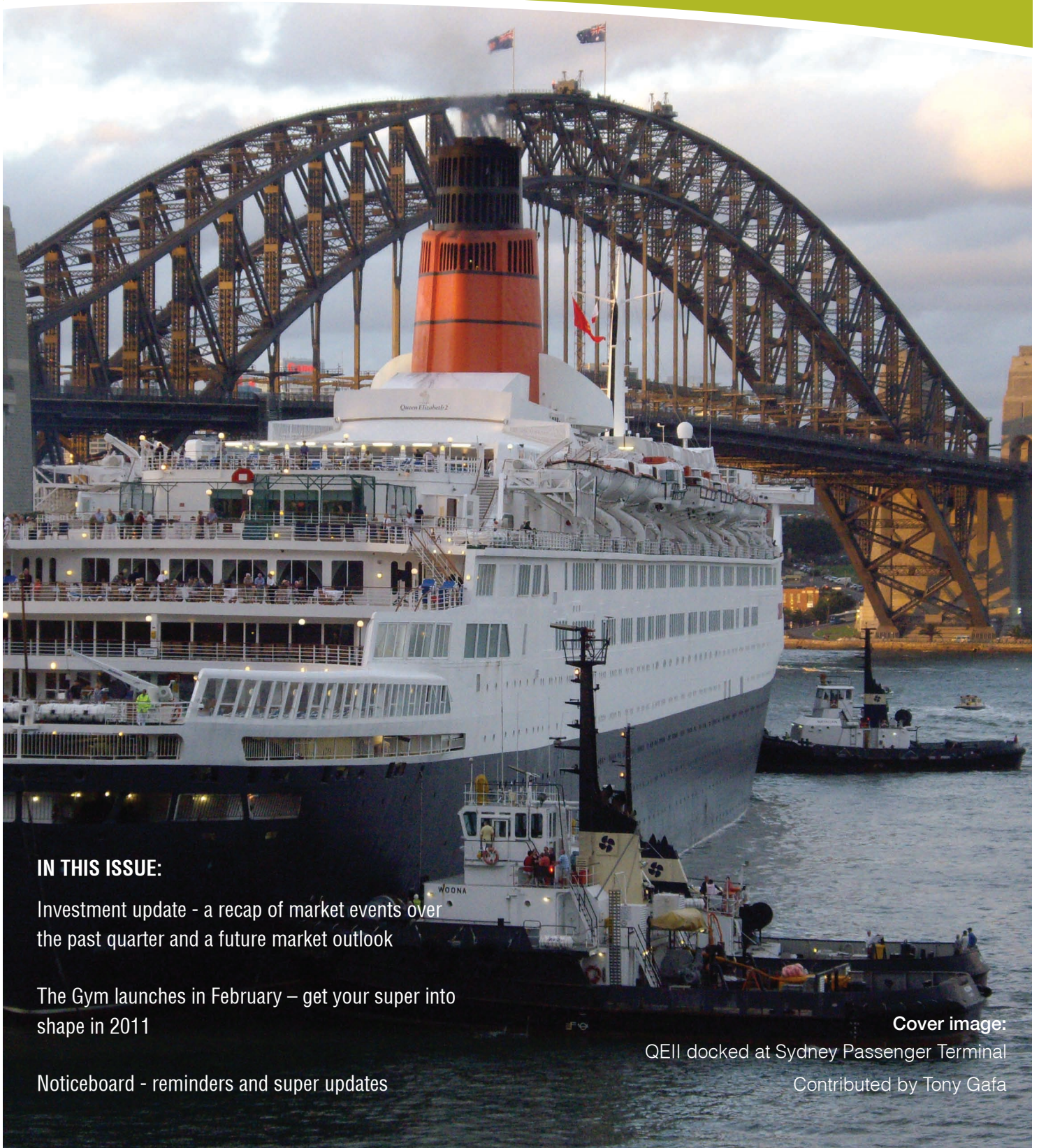


MaritimeFocus

THE NEWSLETTER FOR MARITIME SUPER MEMBERS



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Cover image:

QEII docked at Sydney Passenger Terminal

Contributed by Tony Gafa

Market review

December quarter – sustained economic recovery

Maritime Super's returns were very strong for the December quarter and enabled our Growth, Balanced and Conservative options to significantly outperform the median returns for each of these options in other funds.

The December quarter had a slow start, with various macro-economic issues impacting investor sentiment. The major concerns were again related to debt issues with European countries (which saw Ireland requiring an €85 billion bailout from the European Union). There were also concerns regarding the ability of Spain and Portugal to service their ongoing debts. Global investors also focused on speculation regarding interest rate increases in China as a way to control inflation. Towards the end of the quarter, investors became more optimistic following the introduction of renewed tax stimulus measures in the United States and also following the release of positive economic indicators for the major markets in the United States, Europe and Asia.

Australian shares

The Australian sharemarket was volatile during the quarter, gaining in October but losing ground in November. The favourable news regarding the RBA's decision to keep interest rates unchanged at 4.75% and the positive global factors (such as the extension of tax breaks and improving US economic data) saw the market gaining in early December. However, heavy rains and flooding in Queensland (which affected a number of mining and other companies exposed to the sector) contributed to a sell-off in late December. Nonetheless, the Australian market finished the year on a positive note, up 3.8% for December and 4.4% for the quarter.

Overseas shares

Despite some headwinds in October and November and China increasing interest rates twice during the December quarter, global sharemarkets rallied to some of their highest levels. Markets rose by 5.9% in local currency terms but with the Australian dollar rising to record highs, the return to unhedged investors was only 0.4%.

Property

Global property ended 2010 on a positive note. Returns were driven primarily by exceptionally strong gains in Japan. The Australian property securities sector also posted a solid gain for December after negative returns in October and November. All of the major subsectors gained ground in December, with the pace set by a strong performance from the industrial sector.

Fixed interest

In the bond markets, the yield on both the 10-year US Treasuries and Australian 10-year Government bonds rose during the December quarter. The improvement in economic data in Australia and the United States pushed up the yields on the better economies, while some of the weaker economies have seen their spreads widen sharply under threat of further downgrades from ratings agencies.

Currency

The Australian dollar saw a few ups and downs during the December quarter, reaching parity with the US dollar in mid-October before retreating below parity again around mid-November. In December, it jumped sharply against the US dollar and Pound Sterling, and also gained ground against the Euro and Japanese Yen. It closed the year at 101.6 US cents, up from 89.7 US cents at the start of 2010.

On monetary policy, the RBA raised the cash rate by 0.25% to 4.75% in November, due to the high terms of trade and mining investment boom, and with an eye on medium-term inflation pressures.

Maritime Super partners
with SuperFriend



Unfortunately in our industry (and across Australia), the number of people suffering from stress, anxiety and depression is high.

Stress can have a profound impact on our physical and emotional wellbeing. It's crucial to recognise when we are feeling under pressure, and obtain the support and assistance available to move forward.

Most importantly, those suffering from depression need to know that they are not alone.

Maritime Super is proud to partner with SuperFriend in a nationwide initiative aimed at improving the mental health and wellbeing of industry super fund members.

SuperFriend's website has a wealth of information and resources to help you (or anyone close to you) cope with depression and anxiety.

Visit SuperFriend at www.superfriend.com.au

Future outlook

A significantly brightened growth outlook and further fiscal and monetary measures have propped up economic forecasts for 2011 in the United States.

While this is positive for global equity markets, the key for Australian equity investors remains China's economic management, as a significant drop in China's demand for resources would dampen Australian investor sentiment. Expectations are for further solid growth and a growing demand for commodities, despite some slowing and recent interest rate increases.

In the short term, the impact of the Queensland floods and the weak retail sales environment are a concern for the domestic economy.

Elsewhere in the world, the UK and major European economies have seen an increase in manufacturing and Germany has reported strong industrial production growth which is expected to continue in 2011. However, European sovereign debt issues are likely to continue to provide nervousness amongst investors.

Long-term performance

Our focus is on long-term investment performance to benefit members' retirement incomes. To achieve this, it is important to stay invested in all markets to capture the full benefits of market cycles and to avoid costly timing decisions.

Strong returns over the past seven quarters are bringing the 5-year investment returns closer to longer-term expectations again.

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

INVESTMENT PERFORMANCE - to 31 December 2010

Investment option	FYTD	FY09/10	FY08/09	FY07/08	FY06/07	FY05/06
Growth	8.26%	9.63%	-19.78%	-9.95%	19.15%	18.32%
Balanced	7.31%	11.93%	-16.10%	-5.31%	15.59%	12.71%
Conservative	4.43%	9.52%	-6.60%	-0.04%	8.98%	8.49%
Cash Enhanced	2.34%	4.47%	2.47%	5.60%	5.82%	5.21%
Cash	1.89%	2.82%	N/A	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.



Reminder

Fixed Term Investment

Next investment date: 1 March 2011

The deadline for applications is 22 February 2011.

If you would like to invest some of your super balance in the 12-month Fixed Term Investment option, you have until 22 February to do so.

Remember, up to 80% of your account balance can be invested in this option (with a minimum of \$20,000).

The interest rate will be published on the website on 8 February 2011 (or shortly thereafter).

To invest in the Fixed Term Investment, simply complete the *Fixed Term Investment application* (available from the website or contact Member Services on 1800 757 607).

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.

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





Get **FIT** at The Gym



Kickstart your FITness in 2011- visit The Gym

The Gym - coming in February

Maritime Super is committed to improving the wellbeing of members - being 'financially fit' goes hand in hand with overall wellbeing.

In February, we're launching The Gym - your one-stop source for Financial Information and Training (we like to call it 'FITness'). The Gym will enable members to develop their own personalised FITness plan through the use of interactive learning tools.

The Gym is exclusive to Maritime Super and is more than just an education centre - it provides a wide range of resources that are designed to help members make better-informed decisions about money.

Peter Robertson, Maritime Super's CEO, said that 'traditionally, education has not been easy to promote to members because they often struggle to find anything of personal relevance in the content, which results in low member engagement. We believe that The Gym delivers appealing and innovative education solutions that members will truly find value in.'

What sets The Gym apart from other education centres?

The Gym is ground-breaking in its approach; it's designed to help members look at the 'big financial picture' (of which superannuation is an important, but not exclusive, component) in order to achieve financial fitness and, ultimately, a comfortable retirement.

The core philosophy behind The Gym is that different people learn in different ways, and are therefore drawn to different topics and mediums to learn. The variety of learning tools allows members to embrace self-directed learning and have a resource they can interact with and personalise.

Why visit The Gym ?

By visiting The Gym, you can access a wealth of tools and information, such as:

- self-paced learning modules which can help members make better-informed financial decisions
- articles - ranging from super-specific issues through to broader topics like 'using your Money Personality to buy a car'
- quizzes - including the 'Money Personality' quiz - help members understand their Money Personality and how this influences the financial decisions they make
- useful calculators - play with general calculators such as budget planners, home loan comparison and repayment calculators as well as credit card repayment calculators
- regular competitions with prizes (such as Westfield gift vouchers)

How to visit The Gym

Simply visit our website at www.maritimesuper.com.au in February and click on the links to The Gym (you'll reach the MemberOnline login page, which will take you straight to The Gym after you've logged in to MemberOnline).

Once you are there, navigating The Gym is easy. Simply click on the tab for the activity you'd like to undertake.

The Gym will be launched in early February - keep an eye on the website for The Gym launch.



What is your 'Money Personality'?

Bill Gates is an Owl, Oprah Winfrey is a Dolphin, Warren Buffet is a Labrador and Donald Trump is a Monkey.

The 'Money Personality' quiz is exclusive to The Gym, and is designed to help you understand your behavioural preferences towards money and wealth. Understanding your money personality also has the capacity to influence the way people deal with each other in work and play.

Which Money Personality animal are you? Take the quiz to discover whether your preferences align more to an Owl, Dolphin, Monkey or Labrador.

The Money Personality quiz is exclusive to The Gym and is completely free of charge to access - visit the website and click on the 'Quiz' link to find out your Money Personality.

Get your **super** into **shape**

Getting fit always seems to be at the top of everyone's New Year's resolutions list – this should also apply to your super.

Making your existing super work harder for you, or giving your super a kickstart through additional contributions, is a good way to become 'super fit'.

Just a few small changes can make a real difference to your super fitness ...

Check out your super situation

The New Year is the perfect time to check out your super balance and think about whether you're on track to achieving your retirement goals.

If you don't think you'll have enough super to live on comfortably, don't panic - it's never too late to kickstart your super savings.

'Beef up' your contributions

As the saying goes, 'slow and steady wins the race'. We all know that super is a long-term investment - and the longer it's invested, the longer time you have to take advantage of compound returns. This means that even a small contribution to your super can make a big difference in the long run.

Salary sacrifice is one way of contributing to super. By salary sacrificing, you are helping 'beef up' your super by directing a portion of your before-tax salary to your super account instead of being paid to you. It can be a particularly 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, and can really boost your super.

Roll over and make your super work harder

If you are one of the many Australians who have several superannuation accounts, it's worthwhile combining all of your super into your Maritime Super account. By doing this, you save on paperwork, and because Maritime Super doesn't charge any establishment, contribution, withdrawal or termination fees, so you can also potentially save thousands of dollars in fees over the long term.

Another bonus of consolidating all of your super is that you can manage your investment strategy more efficiently, which means that your super is working harder for you.



Financial planners – your own super 'personal trainer'

If your super is looking a little sluggish, it's worthwhile enlisting the services of a financial planner to get it back into shape - we like to think of them as 'personal trainers for super'.

Our affiliated financial planners, Matthew Geraghty, Chris Kotsiofis and Paul Hearn, can review your current situation and work with you to formulate a plan to give your super a good workout.

They're based in Sydney, Melbourne and Perth and the first visit is free of charge.

Because Maritime Super doesn't pay commission to our affiliated financial planners, you can rest assured knowing that they have one outcome in mind: to provide the best possible advice tailored your own needs and goals.

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

Visit the Gym – flex your 'financial muscle'

The Gym – to be launched in early February - is a great starting point for achieving financial fitness.

It's completely free to access and should be your first point of call for financial information and education.

For more information about The Gym, refer to the article on the previous page or visit our website.



Noticeboard

Join the family – nominate your family and friends for Maritime Super membership

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

Your family and friends can be nominated for Maritime Super membership, which means that they can now join the fund that puts members first and access a host of benefits:

- comprehensive super solutions
- 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.

Sign up for eNewsletters

Maritime Super is committed to reducing paper wastage (which also benefits members by reducing the overall cost to the fund). By making informed choices about the way you receive your information, you can make a real difference.

By registering to receive your newsletter by email, you are reducing your own carbon footprint and doing your bit for the environment.

To learn more or to elect to receive your newsletter by email, contact Member Services or email us at info@maritimesuper.com



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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.

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