

MaritimeFocus

THE NEWSLETTER FOR MARITIME SUPER MEMBERS

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Cover image:

Life on the docks - a view of Fremantle

Contributed by Peter Le Scelle



Market review

Rough returns for the September quarter ...

... as European debt concerns continue to impact world markets

Like all super funds, Maritime Super experienced a downturn during the September quarter as the equity markets impacted severely on returns for members. However it's important to remember that, while unit prices have fallen, the number of units members hold do not change until they are sold. We will continue to monitor our investments closely and while we look for short-term opportunities, we remain focused on our longer-term fundamentals.

The month of October has seen an upturn that has already regained some of the ground lost during the September quarter. We continue to encourage members to maintain their longer-term outlook and to speak to our affiliated financial planners or Member Services team if they have any concerns.

Key sector issues

The local and global investment markets continued their volatile cycles during the September quarter, and sharemarkets in particular were hit hard. The Australian equity market index, the ASX300, declined steadily throughout the quarter to end 11.7% lower. The major fall occurred in the resource sector which fell by 18.8% as commodity prices came under selling pressure on the back of fears of a slowdown in China. The industrials sector fell by 8.2% with the financial institutions the worst performers as concerns regarding European debt adversely affected bank share prices around the world.

The current debt crisis in Europe and the August downgrade of US debt securities continued to cause volatility. Investor sentiment due to concerns of a possible slowdown in economic activity in China and ongoing fears of a recession in Europe led to sharp falls during the quarter. Overseas equity markets fell sharply during the quarter and, together with the decline in the Australian dollar, saw fully-hedged markets fall by 14.3%. However, our currency hedging strategy continued to add value during this period.

All developed markets (with the exception of New Zealand) had negative returns over the quarter and, not surprisingly, Greece was the weakest market (falling by 42%). Even the core markets of Italy, France and Germany all fell by almost 25% as a result of nervousness about ongoing debt issues affecting their own financial health. The UK, US and Canadian markets fared relatively better; only falling by between 12% and 14%. Japan also performed relatively well over the period, falling by 10%.

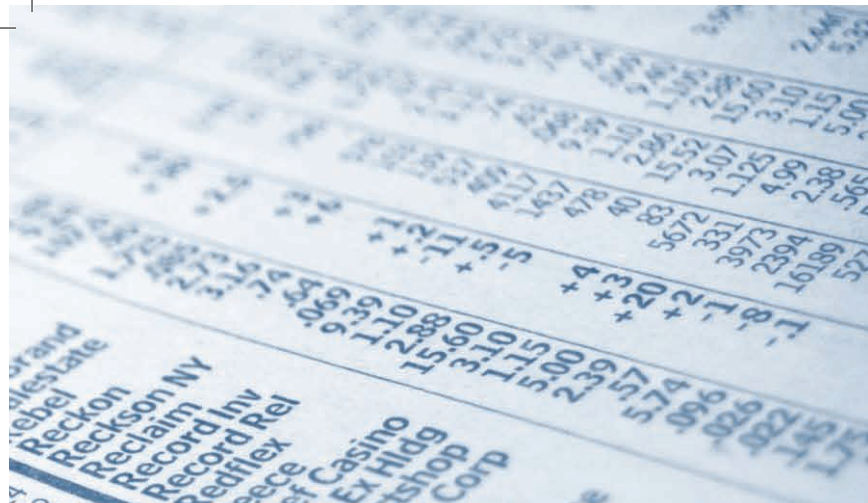
The September quarter saw continuing fears concerning European sovereign debt issues, with the ratings agencies downgrading most of the peripheral European bond markets to sub-investment grade. This led to many moving to the greater security of US and German government bonds. The bond sector experienced strong returns during the period, with the Composite Index returning 4.6% for the quarter.

Future outlook

While investment volatility will continue for some time, our investment advisers have a strong belief in the Australian sharemarket and that valuations for Australian equities remain favourable. As a result, they are factoring in minimal growth in earnings for the medium term. There is a similar view that global equity markets are also priced attractively.

At the time of going to print, the Australian and international equity markets had experienced significant growth during October. The rescue package agreed by the European Union in late October in relation to Greece's sovereign debt had an immediate impact, with world markets responding positively to the plan and equity markets receiving a strong upward surge.

We will continue to monitor and review our investments closely and will always adhere to our long-term asset allocations to provide sustained returns for members. We know that market volatility can be a great concern to members, especially retirees, and we are developing new products (such as the Fixed Term Pension) for those wanting greater security.



Performance

The returns for the financial year to date and for the previous five financial years are listed in the table below.

Investment performance – to 30 September 2011

Investment option	FYTD	FY10/11	FY09/10	FY08/09	FY07/08
Growth	-5.15%	9.97%	9.63%	-19.78%	-9.95%
Balanced	-4.18%	9.61%	11.93%	-16.10%	-5.31%
Conservative	-1.36%	7.57%	9.52%	-6.60%	-0.04%
Cash Enhanced	0.86%	5.42%	4.47%	2.47%	5.60%
Cash	0.94%	3.83%	2.82%	N/A	N/A

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.

Introducing new Brisbane-based financial planner Jim Atley

We're pleased to announce that Jim Atley has joined the financial planning team and will be based in Brisbane. Jim will service Queensland and Northern Territory members, and his office is located at the Brisbane MUA branch (73 Southgate Avenue, Cannon Hill).



With more than ten years experience in superannuation and financial services, Jim is highly qualified to help our members reach their financial goals.

Remember, your first appointment with one of our affiliated financial planners is free of charge.

To make an appointment with Jim, or any of our affiliated planners, contact Member Services on 1800 757 607.

Win



an iPad 2

Opt in for e-Communications - go in the draw to win an iPad 2

By opting to receive communications (such as newsletters and the Annual Report) by email, you are reducing your own carbon footprint and helping us keep costs down.

Plus, you'll automatically go in the draw to win an iPad 2.

How to register

Simply contact us to let us know that you'd like to receive your future communications by email. We'll then automatically enter your name into the draw to win the iPad 2.

Call us 1800 757 607

Email us info@maritimesuper.com.au

MemberOnline Log in to MemberOnline at www.maritimesuper.com.au and follow the prompts to opt in for e-Communications

You have until Friday, 27 January 2012 to opt in and register to go in the draw - the winner will be drawn on Monday, 30 January 2012.

To learn more, visit our website.

NSW Permit # LTPS/11/09152
ACT Permit # ACT TP 11/04051

Annual Report - coming in December

As part of our commitment to reducing paper wastage and printing costs, hard copies of the Annual Report will only be sent to members on request - it will also be posted on the website in mid-December.

If you'd like to receive a hardcopy of the report, please let us know - contact Member Services on 1800 757 607 or email us at info@maritimesuper.com.au to request a copy.

To receive your Annual Report by email, contact Member Services on 1800 757 607 or email us at info@maritimesuper.com.au



Introducing the **Fixed Term Pension**

At Maritime Super, we pride ourselves on our ability to listen to what members want from their super fund, and we're pleased to announce that we will be introducing a Fixed Term Pension on 1 December 2011.

The Fixed Term Pension provides an agreed, monthly retirement income payment for a fixed term (with an optional CPI-indexed payment available), which is particularly reassuring in times of market volatility.

Who can open a Fixed Term Pension?

The Fixed Term Pension is available to all Maritime Super members who:

- ✓ are 60 years of age or over; and
- ✓ have unrestricted non-preserved super benefits in the Fund; and
- ✓ meet the minimum purchase price requirement (refer to 'Features at a glance' on the right).

What are the benefits of the Fixed Term Pension?

Having a Fixed Term Pension means that you can take comfort in the knowledge that you'll receive monthly income payments that are unaffected by interest rate changes or market fluctuations.

The Fixed Term Pension lets you design a retirement income stream that meets your own needs and circumstances - you have the freedom to choose how much you'd like to invest and for how long.

During the term of your pension, your pension payments will remain constant or will increase in line with inflation (if you select the CPI-indexed option).

You'll benefit from:

- knowing that your pension is unaffected by sharemarket volatility
- receiving tax-free monthly payments directly into your bank account
- being able to protect your payments against inflation
- paying no additional fees or costs
- having a low-maintenance investment that leaves you with more time to enjoy your retirement; and
- keeping your pension with the super fund you know and trust.

In the event of your death, the pension will revert to your spouse (if you select a reversionary pension) or paid as a death benefit to your beneficiaries or estate.

Features at a glance

- Must be 60 years of age or above
- 5-year, 10-year, 15-year and 20-year terms available
- Term start dates: 1 December, 1 March, 1 June, 1 September
- Minimum purchase price: \$10,000 x Term (e.g. \$50,000 for a 5-year term)
- Maximum purchase price: 80% of your account balance
- Monthly pension payment by electronic transfer only
- Pension payment options:
 1. receive a fixed amount over the life of the term; or
 2. receive a CPI-indexed amount indexed annually
- Monthly payments per term and type (fixed or CPI indexed) are set 3 weeks before the term start date and are published on Maritime Super's website
- 14-day cooling off period applies

Need some advice?

If you would like to discuss whether the Fixed Term Pension is the right option for you, speak with one of our affiliated financial planners on 1800 757 607.



Calculating your Fixed Term Pension

Your monthly pension payments will be determined at the start date of your pension and will depend on:

- the amount you invest (purchase price)
- the monthly payment rate
- the term of the pension you have chosen; and
- whether or not you choose to index your pension payments in line with inflation.

The monthly payment rate is the amount that is paid per month for every \$100,000 invested. There are different payment rates for each option (which are based on the selected term and whether indexation is chosen). The table of monthly payment rates will be published on the website approximately three weeks before the start of each new term.

The pension payment is simple to calculate once you know the monthly payment rate. There are two possible ways to consider assessing the size of the Fixed Term Pension that might suit you.

The calculation examples below* use a monthly payment rate of \$500 per \$100,000 and is a 20-year term with fixed monthly payments (not CPI-adjusted).

Approach 1 – how much do I need to invest in a Fixed Term Pension to receive an income of \$1,250 per month?

To calculate how much you need to invest:

$$= \$1,250 / \$500 \times \$100,000$$

$$= \$250,000 \text{ initial purchase price}$$

Approach 2 – I'd like to invest \$250,000 in the Fixed Term Pension – how much will I receive each month?

To calculate how much you will receive each month:

$$= \$250,000 / \$100,000 \times \$500$$

$$= \$1,250 \text{ per month}$$

* Please note that these examples are for illustration purposes only - refer to the website for the published monthly payment rates.

How to apply for the Fixed Term Pension

Complete the *Fixed Term Pension application* at the back of the Fixed Term Pension Member Guide (which is available on our website from 11 November 2011 or by calling Member Services for a hardcopy) and return the form to us by fax, email or mail.

The first start date is **1 December** – we can only accept your *Fixed Term Pension application* up to 5 business days beforehand - this means that you have up to **24 November** to apply for the Fixed Term Pension commencing on 1 December 2011.

Once we've received and processed your *Fixed Term Pension application*, we will send you a letter to confirm the details of your pension.

To learn more, visit our website or contact Member Services on 1800 757 607.

You have up until
24 November 2011
to apply for the
Fixed Term Pension
commencing on
1 December 2011



Noticeboard

APRA – change to the administration of the early release of super benefits

From 1 November 2011, the Department of Human Services (DHS) takes over the administration of the early release of super benefits on compassionate grounds from the Australian Prudential Regulation Authority (APRA). Applications for the early release of super benefits will continue to be assessed on the same grounds.

Contact details

Phone: 1300 131 060 (no change)
Website: www.humanservices.gov.au

What's not changing?

- No change to the grounds for early release of superannuation on compassionate grounds
- Applicants do NOT need to take any action — all applications will continue to be processed as normal.

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
- affordable voluntary insurance cover
- quality, personalised financial planning.

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



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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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