

# MaritimeFocus

THE NEWSLETTER FOR MARITIME SUPER MEMBERS

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## Cover image:

*MV Pioneer's wake*

Contributed by Peter Bethell



# Market review

## September quarter - equity markets continue to recover

Maritime Super's returns were strong for the September quarter, with all of our investment options returning a positive result. The Growth and Balanced options continued their recoveries, with both returning more than 4% for the quarter. The Fund's investments in both Australian and international shares outperformed the indices and strong valuations in private equity also contributed to the outperformance.

The positive results of the stress tests carried out on European banks provided a good start to the September quarter. As the quarter progressed and weaker-than-expected economic data was released, equity markets lost momentum. Global economic data issued in September were more positive than earlier in the year, which eased the market's concerns about a double-dip recession in the US and gave it more confidence that China is managing the slowdown of its economy effectively. As a result, equity markets around the world rallied strongly in September.

### Australian shares

The Australian sharemarket continued its zigzag pattern, gaining in July and September and losing ground in August. It ended the September quarter up 8.3%, helped along by a strong Australian dollar. Solid employment figures, a rebound in retail sales and building approvals, as well as a narrowing of the current account deficit reflected a strengthening Australian economy.

### Overseas shares

Global markets were up 9.3% for the September quarter but this return is diminished when adjusted for the increase in the value of the Australian dollar. While unhedged investments finished the quarter down, Maritime Super's hedging position saw a return for international shares of 5.9%. Data releases continued to suggest an improving outlook for global growth. The market also responded positively to the US Federal Reserve Bank's commitment to provide further monetary measures if they are needed to support growth or prevent deflation.

### Property

Listed property generated strong returns around the world during the September quarter, mainly driven by positive momentum in most global equity markets. Property benefited as equity raisings made balance sheets healthier, valuations appeared enticing and investors became more confident about the sector's operational outlook.

### Fixed interest

Global fixed income markets rallied in August, spurred on by weak US economic releases and supportive policy action by the US Federal Reserve Bank. The rally came to a halt early in September, following better-than-expected economic releases, but resumed in mid-September on the back of speculation about a second round of quantitative easing (that is, increasing the money supply to stimulate the economy) in the United States.

### Currency

The Australian dollar rose more than 11% against the US dollar over the September quarter and continued to rise in October, briefly hitting parity with the US dollar for the first time since it was floated in 1983. The weakening of the US dollar created difficulties for the export-driven economies.

Maritime Super has benefited strongly from the rise in the Australian dollar because we have taken a hedged position to protect a significant part of our international investments to the Australian dollar. There are indications that the Australian dollar is reaching the top of its cycle, and we have adjusted our hedging position to maximise our gains in the event that the dollar begins to fall.

### Future outlook

Recently released economic data suggests that the economic recovery in Australia has gained momentum. There are signs, however, of a return to a two-speed economy where mining (and industries closely linked to it) grow much more rapidly than the remainder of the economy. This could lead to acute skilled labour shortages, increasing inflation, higher interest rates, and a strong Australian dollar – all of which could inhibit sustained economic growth in Australia.

Economic recovery in the United States remains fragile. The European economy is expected to remain sluggish, while some European governments continue to struggle with high debt and deficit levels. In China, it appears that the policymakers have been successful in slowing down the economy, but many analysts remain cautiously optimistic about the strength of domestic demand in the longer term. This is good news for commodity prices and Australia's resources sector.

It is still a highly uncertain environment for the world economy and financial markets. It's in these volatile times when skilled investment managers, such as those used by Maritime Super, become extremely valuable.

## 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 year are starting to average out the impact of the global financial crisis. The returns for the first quarter to 30 September and for the prior five financial years are listed in the table below.

### INVESTMENT PERFORMANCE - to 30 September 2010

Investment Option	FYTD	FY09/10	FY08/09	FY07/08	FY06/07	FY05/06
Growth	4.79%	9.63%	-19.78%	-9.95%	19.15%	18.32%
Balanced	4.04%	11.93%	-16.10%	-5.31%	15.59%	12.71%
Conservative	2.70%	9.52%	-6.60%	-0.04%	8.98%	8.49%
Cash Enhanced	1.24%	4.47%	2.47%	5.60%	5.82%	5.21%
Cash	1.09%	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.

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](http://www.maritimesuper.com.au)  
to learn all about our investments  
and investment performance

## Introducing new Perth-based financial planner - Paul Hearn

As part of our commitment to giving members easy access to quality financial planning advice, Maritime Super is pleased to announce that Paul Hearn has joined the financial planning team and will be based in Perth.

With more than 35 years experience in superannuation and financial services, Paul is highly qualified to help our members reach their financial goals.

To make an appointment with Paul, contact Member Services on 1800 757 607.

### Steering your super in the right direction

Now is as good a time as any to think about your financial position and determine whether you are on track to achieving your financial goals. 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 steer you towards achieving your retirement goals.

The first visit is free to members, and because Maritime Super does not pay commission to its affiliated financial planners, you can rest assured in the knowledge that they have one outcome in mind: to provide the best possible advice tailored to your personal needs and goals.



Sign up for  
e-Newsletters

Maritime Super is committed to reducing overall costs to members and minimising paper wastage. 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.

If you'd like to receive your newsletter by email, contact Member Services or email us at [info@maritimesuper.com.au](mailto:info@maritimesuper.com.au)

# Announcing the Fixed Term Deposit

## Features at a glance

- 12 month terms
- Investment dates: 1 December, 1 March, 1 June, 1 September
- Minimum investment \$20,000
- Maximum investment 80% of your accumulation account balances
- Fixed interest rate, net of fees and (any) tax
- Interest rate set 2-3 weeks before the investment date
- Available for account balances (not available for future contributions such as salary sacrifice contributions)
- No switches to other investment options during the term
- No early withdrawals during the term

Maritime Super is pleased to launch the Fixed Term Deposit investment option on 1 December 2010

### What is the Fixed Term Deposit?

The Fixed Term Deposit works in a similar way to a bank's fixed-term savings account: your super is invested for a fixed term, earning interest at a pre-determined rate. During this time, you cannot access or switch the amount invested in the Fixed Term Deposit.

This option invests in fixed term deposits with a number of different investment managers. It has a short-term focus and may not be suitable as a long-term strategy.

You can only invest up to 80% of your balance in the Fixed Term Deposit. Your super will be split between the Fixed Term Deposit and one or more of the other five investment options.

### Who can open a Fixed Term Deposit?

The Fixed Term Deposit facility is available to all members of the Fund who have an accumulation account.

### What are the benefits of the Fixed Term Deposit?

You'll benefit from:

- a pre-determined return at a competitive interest rate
- flexibility to split your super investment with Maritime Super's five other investment options
- favourable tax rates for super

It's suitable for members who like the idea of knowing their investment return in advance - you know what your return will be which gives you peace of mind

### What is the interest rate for the Fixed Term Deposit?

The interest rate is fixed approximately 2-3 weeks before the investment date and will be published on our website.

The interest on the Fixed Term Deposit is credited at the end of the term.

As an indication of performance, this option should provide similar rate of return to the Cash Enhanced investment option. This is because the investments within the Cash Enhanced portfolio often include some fixed term deposits.

### How to apply for the Fixed Term Deposit

Investing in the Fixed Term Deposit is quick and easy; to apply, complete the *Fixed Term Deposit application* (which is available from our website or by calling Member Services) and return it to us by fax or email.

The investment dates are 1 December, 1 March, 1 June, 1 September – this means that you can only start the Fixed Term Deposit on these dates. In order to process your application in time, we must receive your *Fixed Term Deposit application* no less than 5 business days beforehand.

Once we've received and processed your *Fixed Term Deposit application*, we will send you a letter to confirm the investment amount, the interest rate and the maturity date.



**The first Fixed Term Deposit starts on 1 December 2010 - this means that you must complete your Fixed Term Deposit application and return it to us by 25 November 2010**

To learn more about the Fixed Term Deposit, visit our website or contact Member Services on 1800 757 607



# Maritime Super's FITness centre: **The Gym** - coming soon

**gým** n. (colloq.) gymnasium  
a place, typically a private club,  
providing a range of facilities designed  
to improve and maintain fitness, health  
and wellbeing [abbr.]

## Get super fit at The Gym

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

Maritime Super (in alliance with AUSCOAL) will shortly be launching 'The Gym', an innovative web-based education site which is your first port of call for general Financial Information, Training ('FIT'), education and advice.

It's more than just an education centre for superannuation; it provides a wide range of resources that are relevant to your financial fitness and aims to help members make better-informed decisions about their finances.

## What sets The Gym apart from other education centres?

The Gym is ground-breaking in its approach; it will help 'train' members to look at the big picture (of which superannuation is an important component) in order to achieve financial fitness and, ultimately, a comfortable retirement.

We approach member education from a broader (and more holistic) personal finance perspective.

## Learn about your money personality

'Money Personality' profiling is a new approach to education engagement and delivery.

The Money Personality Quiz helps you understand what your preferences are towards your money and finance in general. It provides a unique way to reflect on why we do the things we do with our money.

## Why visit The Gym?

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

- learning modules and articles
- quizzes – Money Personality Quiz – help members understand their Money Personality and how this influences the financial decisions they make
- videos
- activities – practical ways to apply learning or identify gaps in learning
- calculators – financial calculators (not super-specific), including tax management, credit card management and purchase power for property
- glossary – 'jargon buster' financial-related terms; and
- regular e-Newsletters.

The Gym is will be launched shortly – keep an eye on the website for further announcements.

## Join the family

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

You can now nominate your family and friends for membership, which means that they can 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, insurance products (home, car and travel insurance) and competitive home loans.



# Noticeboard

## Basic death insurance cover has doubled for Accumulation Plus and Accumulation Basic members

Basic death cover is the default insurance cover provided to members of Accumulation Plus and Accumulation Basic who are working for a Full Participating Employer or Participating Employer who is paying an insurance levy to the Fund on your behalf.

There has been a significant improvement to level of the basic death insurance cover.

From 1 October 2010:

- Accumulation Plus members – default death cover has doubled
- Accumulation Basic members – default death cover has doubled

To learn more, visit our website at [www.maritimesuper.com.au](http://www.maritimesuper.com.au)

## Annual Report – coming in December

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

If you'd like to receive hard copy of the report, please let us know – contact Member Services on 1800 757 607 or email us at [info@maritimesuper.com.au](mailto:info@maritimesuper.com.au) to request a hard copy.

### Toll Free

1800 757 607  
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