

Member

THE NEWSLETTER FOR MARITIME SUPER MEMBERS

FOCUS



August 2018
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Market review ...

Another strong year for investment markets

news

Snapshot:

- All of Maritime Super's investment options delivered positive returns for the 2017/18 financial year
- The best performers for FY17/18 were Australian Shares (14.44%) and International Shares (11.90%)

The 2017/18 financial year provided strong performance for global investors as economic growth continued to strengthen across most developed and emerging markets. However, there was a temporary loss of momentum in equity markets in early 2018 as investors increased their expectations of US interest rate rises. This change in sentiment also negatively impacted emerging markets.

Unemployment fell in major economies but despite the low unemployment rates, inflation remained subdued, generally reflecting weak wage growth. This apparent weakening of the link between wage growth and tight labour markets is potentially explained by structural factors, including globalisation and automation as well as the less visible underemployment and a more elastic labour supply.

Global monetary policy continued to be generally accommodative, underpinning growth, although some have taken slow steps towards 'normalisation'. This process has been led by the US Federal Reserve's three 25bps rate increases over the 2017/18 financial year and a reduction in its holdings of US Treasuries. Furthermore, the European Central Bank announced that it would cease its quantitative easing programme at the end of the 2018, as scheduled. However, concerns remain surrounding financial imbalances, expanding credit and large increases in property prices, due to this prolonged easy monetary policy. More recently, trade concerns have flared with increasing protectionist pressures across countries, primarily being driven by the US.

In Australia, GDP steadily increased on the back of increased bulk commodity prices. The RBA left the cash rate on hold, balancing concerns of international trade policy uncertainty, low inflation and wage growth, and a recent softening in housing markets in Sydney and Melbourne.

Australian shares

The S&P/ASX300 Index rose 13.2% over the financial year, with most of the gains coming in the second quarter of 2018. Earlier in 2018, volatility increased which resulted in the S&P/ASX300 falling by 3.8% in the March quarter, with Australian equities not immune to a global equity selloff sparked by trade tensions and a resetting of US interest rate expectations. Additionally, the Royal Commission weighed on financials, particularly on the major banks.

International shares

Global equities, as represented by the MSCI World ex-Australia Index, rose 12.1% on a hedged basis (in AUD). Unhedged returns were greater (16.0%) due to a depreciation in the Australian dollar over the year. Emerging markets also performed well, with the MSCI Emerging Markets Index rising 12.7% (unhedged) for the year.

Property

In the Property sector, Australian unlisted property generated a 10.3% return over the financial year.

Fixed Interest

Bond markets provided relatively low returns as yields generally rose across most countries over the financial year. Australian bonds returned 3.1% but outperformed global bonds (1.9%, hedged).

Cash

The RBA maintained the cash rate at 1.5% during the year.

Maritime Super's investment strategy

As always, Maritime Super's investment strategy remains focused on long-term fundamentals and diversification. If you have any questions about your investments, call 1800 757 607 to speak with a financial planner.



Investment performance

to 30 June 2018

| | 1 year | 3 years | 5 years | 10 years |
|----------------------|--------|---------|---------|----------|
| Australian Shares | 14.44% | 11.14% | N/A | N/A |
| International Shares | 11.90% | 7.82% | N/A | N/A |
| Growth | 10.75% | 8.59% | 10.02% | 6.06% |
| Growth MVP | 9.32% | 7.10% | N/A | N/A |
| Balanced | 8.46% | 7.20% | 8.40% | 5.82% |
| Moderate | 7.51% | 6.39% | 7.01% | N/A |
| Conservative | 3.87% | 4.02% | 4.95% | 4.60% |
| Cash Enhanced | 1.80% | 1.99% | 2.28% | 3.20% |
| Cash | 1.31% | 1.48% | 1.70% | N/A |

The 1, 3, 5 and 10-year returns are per annum for the periods ending 30 June 2018.

These returns are based on movements in unit prices and are net of asset-based fees and taxes. The returns apply to accumulation accounts; different rates of return apply to pension accounts. Refer to the website or call Member Services for more information.

Note that past performance is not a reliable indicator of future performance.

Next Fixed Term Investment starts 1 September 2018

You have until **27 August 2018** to invest in the Fixed Term Investment. Simply complete the *Fixed Term Investment application* available from our website or by calling Member Services.

Refer to the website in mid-August for the interest rates.



Meet our new Brisbane-based financial planner

We're pleased to introduce David Zaloudek, who recently joined the Advice team and is based in Brisbane. David is a Financial Planner with over 8 years' experience in the financial services industry. His knowledge and expertise spans superannuation, insurance, investments and retirement planning.

David is passionate about helping members achieve their financial and retirement goals.

Call Member Services on 1800 757 607 to make an appointment with David.



What's new from 1 July

First home buyers can withdraw their salary sacrifice contributions

The First Home Super Saver Scheme (FHSSS) allows first home buyers to withdraw up to \$30,000 of their voluntary contributions (plus earnings) to be used as a deposit for a home.

Up to \$15,000 per annum of salary sacrifice, undeducted personal contributions and deducted (concessional) personal contributions made after 1 July 2017 count to the amount that can be released.

Downsizers can save more in super

Australians over 65 who sell their family home to downsize can contribute an extra \$300,000 into their super (or \$600,000 for a couple) in addition to existing caps, giving downsizers an opportunity to save more in the home-stretch towards retirement.

This new non-concessional contribution applies to people over 65 who are selling their primary residence which they've owned for more than 10 years.

Member seminar Let's talk about your future lifestyle

Maritime Super's senior management and financial planners hit the road in August to deliver our Fund update seminars. We'll provide a snapshot of how the Fund has performed, as well as a general market update. We'll also discuss the recent Federal Budget announcements and we'll talk about your future lifestyle, including strategies to help shape your future.

To find a seminar near you, visit the 'Seminars' page of our website



2019 Calendar Submit your photo for a chance to win!

We're compiling a shortlist of member photos for our 2019 Calendar, and would love to include your maritime-themed photo (we need the highest quality image for printing purposes). Of the 12 photos shortlisted for the Calendar, we will select a 'Photo of the Year' and the winner will receive a \$500 Coles Myer gift voucher.

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



Save at tax time Lodge your tax return from \$59

Don't forget that you can access discounted tax services through Guideway Financial Services - you can lodge your tax return from just \$59.

To learn more, call Member Services on 1800 757 607



Annual Statements coming soon Do we have your email address?

We're putting the finishing touches to our Annual Statements, which you'll receive shortly. If you receive your interactive Statement snapshot by email, make sure we have your correct email address to receive it as soon as it's ready!

To provide or update your email address, simply log in to Member Online or call Member Services on 1800 757 607.



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