

# Member

THE NEWSLETTER FOR MARITIME SUPER MEMBERS

FOCUS

## Announcing Photo of the Year



November 2018



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# Market review ...

## news

### Snapshot:

- Political fluctuations defined this quarter
- All of Maritime Super's investment options posted positive returns

## A positive quarter despite political fluctuations

Most sharemarkets posted positive third quarter returns, primarily driven by continued economic growth coming from the US, despite continued global trade tensions. The Trump Administration's tariffs on some Chinese imports came into effect at the end of the quarter and China's Finance Ministry retaliated, announcing tariffs on US imports ranging from liquefied natural gas to agricultural and energy products. China moved to align more closely with Europe and Japan, implementing some modest tariff cuts on imports from these regions.

In Europe, concerns around the Italian government's fiscal outlook played on sentiment, while in the UK, Brexit continued to dominate headlines as the March 2019 deadline nears with no formal agreement in sight. In the Middle East, geopolitical tension between the US and Iran intensified, as President Trump continued to threaten countries who accept Iranian oil exports. Turkey faced their own political challenges as tensions with the US escalated, with Trump introducing a tariff on steel imports.

There was good news as investors responded positively to US corporate earnings, driving US equities higher over the quarter. Economic data continued to underpin the view of a strong US economy as consumer confidence hit its highest level since 2000, wage growth experienced its highest level in nine years, and small business optimism reached new highs. US headline inflation stood at 2.7% (YoY) in August, well above the Federal Reserve's target of 2%, although this is partly due to the transient impact of elevated oil prices.

In Australia, the September quarter was positive as investors ignored the political turmoil associated with the change of Prime Minister. The Telecommunications sector led the Australian market higher as the announcement of a merger between Vodafone and TPG was viewed positively by the market. The Financial Services Royal Commission continued to impact the Financial Services sector, with the Interim Report released at the end of September.

The RBA's decision to leave the official rate at 1.5% for the 23rd consecutive meeting was followed by the release of GDP data for the year-to-June which came in at 3.4%, above the RBA's forecast of 3%. Weakness in the housing market continued with dwelling values down 2.2% from their peak in September last year. The Australian dollar (AUD) depreciated against the USD (-2.1%), the Euro (-1.6%) and Pound (-0.9%), was flat against the New Zealand dollar and appreciated against the Japanese Yen (0.4%).

### Australian Shares

Australian shares, as measured by the S&P/ASX300 Accumulation Index returned 1.5% for the quarter with small cap stocks underperformed large cap stocks, as the ASX Small Ordinaries Accumulation Index returned 1.1% and the S&P/ASX50 Accumulation Index returned 1.2%.

### International Shares

International shares, as measured by the MSCI World ex-Australia Index (hedged into AUD) rose 5.7% over the quarter. Across developed markets, the US (7.5%) and Norway (6.8%) outperformed, while Greece (-17.16%) and Ireland (-4.8%) were among the weakest performing countries in local currency terms.

### Property

Australian property trusts (2.0%) outperformed the broader Australian market over the quarter, and outpaced global listed property (0.4%).

### Fixed Interest

Australian bonds returned 0.5% over the quarter, outperforming hedged international bonds (-0.1%).

### Cash

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





## Investment performance to 30 September 2018

	3 months	1 year	3 years	5 years	10 years
Australian Shares	0.73%	14.36%	13.04%	N/A	N/A
International Shares	4.99%	14.03%	12.33%	N/A	N/A
Growth	2.62%	11.55%	10.91%	9.20%	6.97%
Growth MVP	2.23%	10.02%	8.93%	N/A	N/A
Balanced	2.09%	8.97%	8.80%	7.75%	6.49%
Moderate	1.87%	7.97%	7.55%	6.58%	N/A
Conservative	1.22%	4.25%	4.67%	4.57%	4.80%
Cash Enhanced	0.50%	1.80%	2.01%	2.21%	3.17%
Cash	0.44%	1.44%	1.49%	1.68%	N/A

The 1, 3, 5 and 10-year returns are per annum for the periods ending 30 September 2018, and the 3-month return is the actual return for the quarter to 30 September 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.



# Investigation into superannuation

## Industry funds are run only to benefit members

The Royal Commission into the Banking, Superannuation and Financial Services Industry continued in August, involving two weeks of questioning into the conduct of superannuation funds.

Overall, industry super fund management was sound with no misconduct toward members. While a small number of issues were investigated across industry and not-for-profit funds, the hearings were dominated by a focus on misconduct in super in the retail sector.

Bank-owned and retail super funds were found to have numerous incidents of non-compliance and significant breaches, failing to act in the best interests of members and in some cases leaving members worse off. Examples of misconduct included charging members fees for no service, deliberately delaying the transition of accrued default amounts to low-fee MySuper accounts, misleading regulators about corrective actions, and continuing to deduct fees after members had died.

The cross-examination of selected industry funds explored the rationale behind advertising campaigns and hospitality expenses, with some questions around governance and merger negotiations.

Maritime Super provided the information requested of all super funds, and no further follow-up was required.

**Maritime Super is one of the 16 industry funds in the Industry SuperFunds collective. Like all Industry SuperFunds, we have low fees, have never paid commissions to financial planners and have strong long-term investment performance\*.**

**As a Maritime Super member, you are with one of these funds.**



## Resources at your disposal

Be sure to take advantage of the many benefits of membership with Maritime Super and the broader collective.

You have access to a wealth of educational resources online at [www.maritimesuper.com.au](http://www.maritimesuper.com.au) and great tools and calculators like 'Compare the Pair' at [www.industrysuper.com](http://www.industrysuper.com)



\* Past performance is not a reliable indicator of future performance.



## Indexed Diversified investment option

On 1 November 2018, the Fund introduced a new investment option – Indexed Diversified – which offers a diversified asset allocation invested 70% in growth assets (Australian Shares and International Shares) and 30% in defensive assets (Fixed Interest and Cash).

In an indexed option, investments follow the relevant market index and are not managed by an investment manager – this means that performance will closely match the market indices of the asset classes and is not likely to exceed or fall below it.

The Indexed Diversified option may suit members who want investment growth through a diversified investment strategy with a considerable allocation to growth assets, but without the additional costs associated with an actively managed investment option. To learn more, refer to the *Investment Supplement* in the Publications/PDS section of the website.

### Got a question about the Indexed Diversified option or your investment strategy?

Call Member Services on 1800 757 607.

### Next Fixed Term Investment starts 1 December 2018

You have until **26 November 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-November for the interest rates.



### Australian Financial Complaints Authority

Members of all super funds have access to a complaints process which involves an internal dispute resolution process, followed by an external dispute resolution process, if required.

From 1 November 2018, there's a new external dispute resolution scheme to deal with complaints from consumers in the financial system – Australian Financial Complaints Authority ('AFCA').

AFCA replaces the Financial Ombudsman Service and Superannuation Complaints Tribunal.

### Any complaints made on or after 1 November 2018, should be lodged with AFCA at:

GPO Box 3  
Melbourne VIC 3001  
Phone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

We pride ourselves in the service we provide to our members – we hope you don't have any complaints but if you do, in the first instance please call Member Services on 1800 757 607. We're happy to listen and help, and usually a call to our Member Services team is enough to clarify and resolve most matters.

## Bounces!

What are bounced emails, you ask? They're emails that were not delivered because the email address is invalid. This could happen for a few reasons, such as if your inbox is full or the email address or domain name no longer exists.

When we email newsletters, seminar invites or campaigns we get some bounces from each mailout. If you've changed your email address, please remember to call us or log in to Member Online and update.

**If we don't have your email address and you prefer to get your newsletter straight into your inbox – be sure to provide us with your email.**

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## Worksite visits

Our financial planners visit worksites across the country to meet with members one-on-one, deliver educational content and address any questions.

Feedback from members is that our worksite program is very beneficial; members often say that "they have been meaning to call us and never got around to it" – being onsite provides that extra level of assistance to members, even if it's just help with filling out a form.

**If we haven't visited your worksite in the last year, give us a call to let us know you're interested and we'll organise to come out there.**

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## Online Annual Report out now!

Our interactive 2017/18 Annual Report is out! You'll discover that it offers much more than your average annual report – jump online to explore the report!

**To explore the new Annual Report, visit the Publications page of our website.**

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## 2019 Calendar - Photo of the Year winner

Thanks to everyone who submitted photos for the 2019 Calendar – we were thrilled with the great images that members have sent in to us during the year.

We'd like to congratulate Peter McMahon, whose photo 'Night-time at West Swanson Dock, looking across at East Swanson Dock, Melbourne (VIC)' (pictured on the right and on the cover) has been selected as the Photo of the Year.

**Congratulations to Peter!**

## White Ribbon Day

**23 November 2018**

White Ribbon Australia is part of a global movement of men and boys working to end men's violence against women. They aim to create an Australian society where all women can live in safety, free from violence and abuse.

White Ribbon Day is 23 November, and Australians are encouraged to show their support by wearing a white ribbon and stand up to violence against women by taking the oath:

*I will stand up, speak out and act to prevent men's violence against women.*

**To learn more about White Ribbon Day, visit [www.whiteribbon.org.au](http://www.whiteribbon.org.au)**

 In support of  
**White Ribbon**



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