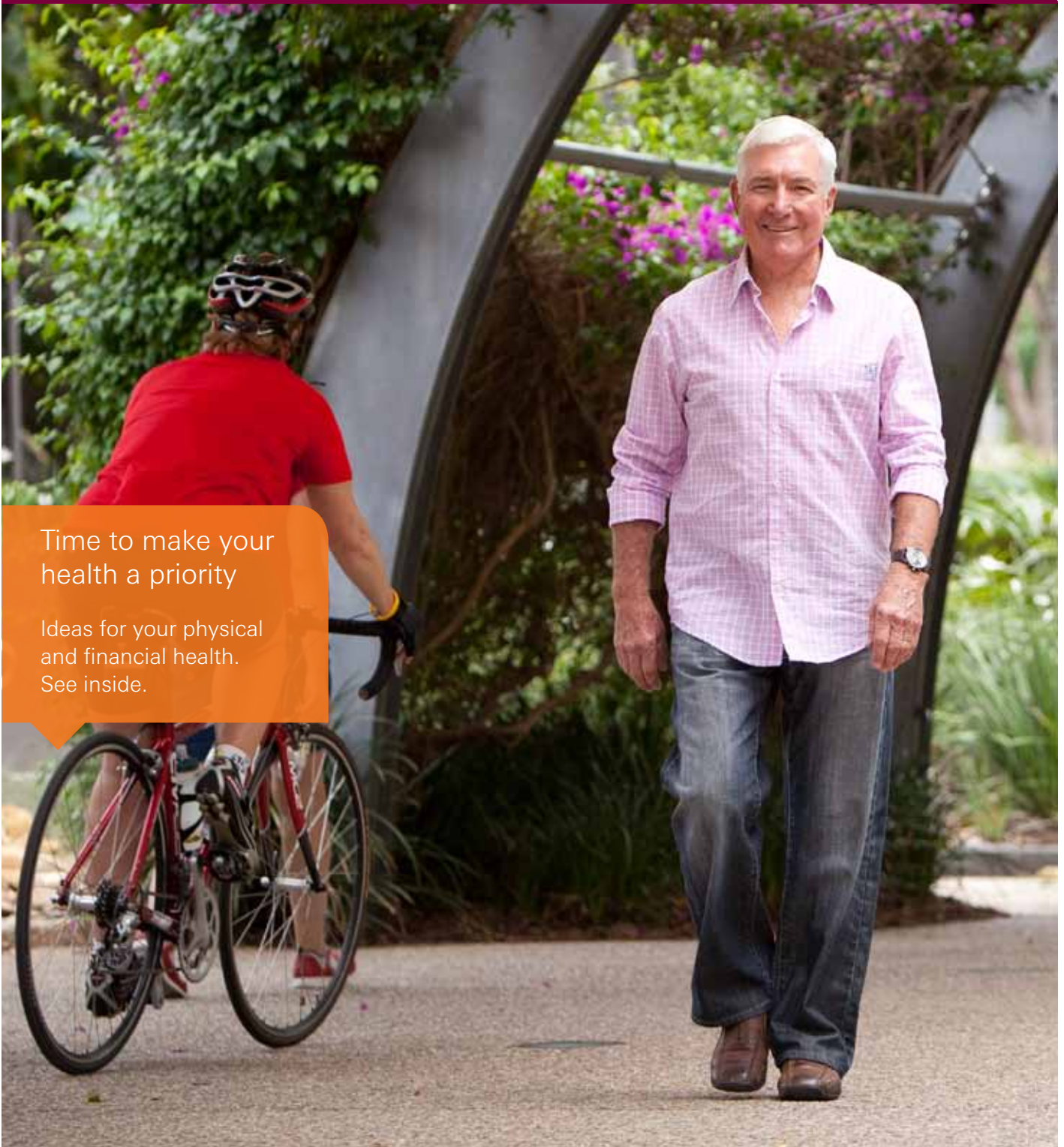


Retirement in focus

Issue no. 8 – November 2011



Time to make your health a priority

Ideas for your physical and financial health. See inside.

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AustralianSuper
Retirement Division



Investment update

The quarter to 30 September 2011 has been dominated by dramatic movements in sharemarkets around the world, in response to the ongoing European debt crisis.

Ongoing uncertainty in many economies has seen markets experience significant movements within single days, as well as large overall daily falls and increases.

Most sharemarkets posted negative returns for the September quarter. Some of the stronger markets around the world suffered the largest falls – with Germany's DAX returning -25.4%, France's CAC 40 -24.7% and Hong Kong's Hang Seng -21.5%. The Australian sharemarket, as measured by the S&P ASX 300 Accumulation Index, returned -11.6% for the quarter.

Balanced option performance

The Balanced option returned -5.2% for the three months to 30 September 2011, 0.8% for one year to that date and an average of 1.8% per annum over three years. While negative returns from sharemarkets have contributed to the short-term negative returns in the Balanced option, our underlying Property, Infrastructure, Private Equity and Bonds (Fixed Interest) portfolios have performed solidly during the quarter and moderated the negative impact of the sharemarkets on the Balanced option's performance. Returns from these investment portfolios ranged from 2.2 to 5.0% for the quarter.

Conservative Balanced option performance

The Conservative Balanced option returned -3.7% for the three months to 30 September 2011, 2.4% for one year and 3.2% per annum over three years to the end of September. During this recent period of significant sharemarket volatility, the Conservative Balanced option's higher allocation to fixed interest and unlisted assets offset more of the negative returns from sharemarkets.

Outlook

We believe the reasons for the current panic in markets are temporary and economies will recover, but it will be a very slow process for countries such as the US and for many in Europe. We will continue to closely monitor the situation in Europe and the USA.

Our investment strategy

AustralianSuper's investment decisions are based on a medium- to long-term outlook for economies and markets, which we still see as broadly positive. As we've seen recently, investor sentiment can change quickly and dramatically, which is why we look at longer time frames and investing across different asset classes.

In the short term we will stay invested in our existing share portfolios while investing new fund inflows in cash. At the same time, we are looking for buying opportunities that we will be able to give effect to when we believe market conditions won't deteriorate further.

We urge our members – particularly during volatile times – to remember the long-term perspective on the investment of your super both before and after your retirement. If you switch out of an investment option with shares in it when markets are performing poorly, you will not be invested in that option when markets rise again and therefore be unable to benefit from any gains. Beware of 'locking in a loss' and remember to speak to a licensed financial adviser before you change your investment strategy, to ensure it is aligned with your personal circumstances and your long-term needs.



Read regular updates on investment performance at www.australiansuper.com/news

'We believe the reasons for the current panic in markets are temporary and economies will recover ...'

AustralianSuper Pension investment performance

July–September 2011					
Investment option	3 months %		3 years % pa		Since inception % (Jan 2008)
	A'Super	B'mark	A'Super	B'mark	A'Super
PreMixed options					
High Growth	-7.36	-7.48	0.27	0.21	-3.77
Balanced	-5.22	-5.51	1.79	1.63	-1.60
Sustainable Balanced	-5.40	-5.51	2.21	1.63	-1.63
Conservative Balanced	-3.73	-3.55	3.23	2.85	1.27
Stable	-0.90	-1.16	5.09	4.26	3.79
Capital Guaranteed	1.43	1.14	4.51	4.04	4.63
DIY options					
Australian Shares	-11.33	-11.70	2.24	-0.31	-4.57
International Shares	-9.08	-9.07	-3.97	-6.94	-9.01
Australian Sustainable Shares	-13.39	-11.79	4.92	-0.66	-2.81
International Sustainable Shares	-5.89	-8.29	-5.55	-7.35	-9.49
Property	1.37	2.03	-2.17	0.34	-1.18
Australian Fixed Interest	3.87	4.62	7.46	7.61	7.26
International Fixed Interest	4.18	5.20	5.73	8.94	3.84
Diversified Fixed Interest	4.88	4.35	9.43	8.52	8.43
Cash	1.30	1.24	4.91	4.43	5.38

Investment returns are not guaranteed as all investments carry some risk. Past performance is no guarantee of future returns.

Benchmarks

High Growth – SuperRatings Pension Median Growth Option

Balanced – SuperRatings Pension Median Balanced Option

Sustainable Balanced – SuperRatings Pension Median Balanced Option

Conservative Balanced – SuperRatings Pension Median Conservative Balanced Option

Stable – SuperRatings Pension Median Stable Option

Capital Guaranteed – UBSA Bank Bill Index adjusted for fees

Australian Shares – S&P/ASX300 Accumulation Index adjusted for fees

International Shares – MSCI AC World ex Australia (in \$A) Index adjusted for fees

Australian Sustainable Shares – S&P/ASX300 Accumulation Index adjusted for fees

International Sustainable Shares – MSCI AC World ex Australia (in \$A) Index adjusted for fees

Property – Mercer/IPD Australian Pooled Property Fund Index adjusted for fees

Australian Fixed Interest – UBSA Composite All Maturities Bond Index adjusted for fees

Diversified Fixed Interest – [50% UBSA Composite All Maturities Bond Index + 50% Barclays Global Aggregate Index hedged to AUD] adjusted for fees

International Fixed Interest – Citigroup WGB Hedged Index adjusted for fees

Cash – UBSA Bank Bill Index adjusted for fees

We're changing to annual statements

This change is a result of AustralianSuper declaring crediting rates for our investment options on an annual, rather than six-monthly, basis but crediting rates will still be calculated daily.

You'll continue to receive a summary of your account for the period 1 July 2011 to 31 December 2011 as well as your member newsletter *Your Super* and/or *Your Pension*.



Working longer can give you a healthier super account balance. See page 5.

Working your way to a healthier retirement

Retirement used to mean stopping work. Either you worked or you were retired. But many people are considering working beyond their retirement age, and there are some interesting reasons why.

These days, largely because we're living longer, you could have something like 20 to 30 years in retirement. That's a long time. Staying in the workforce a little longer could help you fill it – and fund it.

1. Staying connected

Work gives many people purpose, an identity and an opportunity to express themselves. With work comes social interaction, a sense of achievement and mental stimulation.

Going from full-time work to no work at all can be extremely unsettling for some people and can lead to loneliness, boredom and depression. It's widely believed that staying connected to a positive workforce can help a person's general health and psychological wellbeing. And so for many people, continuing to work can be a healthy lifestyle choice.

Working part time – either in the job you're in or in a completely new job – can help make the transition to retirement easier. It also gives you the chance to really work out how you like to spend your free time, and can be a reality check on whether your activities and interests can actually sustain you in full retirement.

How could working longer impact your super?

Our Retirement Income Calculator can show you how much super you'll have each year when you retire and will also take into account the Age Pension. You could see how working longer could impact your super. The calculator also suggests other ways you could improve your super balance right now.

Visit www.australiansuper.com/calculators



AustralianSuper can help you consider your options. You can speak with one of our superannuation advisers over the phone or make an appointment to see a financial planner by calling us on 1300 300 273.

2. More time to save for super

The longer you contribute to your super (your employer must pay contributions for you until you're 70), the healthier your super account balance is likely to be. And the healthier your account balance, the more likely you are to have a more comfortable, more fulfilling, retirement.



Case study

Rosa and Michael, both 65
Combined income \$80,000
Combined super savings \$420,000

According to the ASFA Retirement Standard, Rosa and Michael need \$53,879 each year to live comfortably, which is a lump sum of \$580,000. If they work an extra two years, they could increase their super savings to \$444,500 which could give them an extra six years of retirement income.

Figures in this case study are provided by Melissa Fuller from Rice Warner Actuaries as quoted in Barbara Drury, 'An enriched retirement', The Age Money, 15 June 2011.

3. Extra cash in your hand

Working even just a couple of years longer can really boost your savings, while giving you some extra cash in hand. This could mean doing some of the things you'd earmarked for retirement now – without having to draw from your retirement savings.

An added bonus for retirees on the Age Pension is the new Work Bonus rules that allow you to earn a little more before you start losing any of your pension income. You can earn up to \$250 a fortnight or \$6,500 a year. For more information see the Work Bonus fact sheet on the Centrelink website at www.centrelink.gov.au or call 13 23 00.

5 power foods for good health



Have you ever wondered about the role diet and lifestyle really play in determining your health? Doesn't it all just come down to genes?

Emily Bradley is someone who sees the effects of diet and lifestyle every day. As a naturopath with over 11 years of clinical experience, she believes a healthy diet and lifestyle are the very foundation of good health.

'To my mind, quality of life goes hand in hand with quality of health,' she says. 'Of course genes play a part. But a good diet and lifestyle can help to minimise or even offset a genetic predisposition. You can reduce the severity and progression of the condition so that its effect on you isn't as great as it could have been.'

The years leading up to retirement can coincide with significant changes in the body. Health concerns such as diabetes and high blood pressure might start to become a reality rather than just a risk. Energy levels, memory and mood can also be affected at this time.

And that's where power foods can help – foods high in nutrients that can give you concentrated health benefits.

'When people start to wind down into retirement, they have more time to actually look after their health,' says Emily. 'This time presents a positive opportunity to make your health a priority.'

'This time presents a positive opportunity to make your health a priority.'

Emily Bradley is a highly trained naturopath who writes health-based articles for Every Day Health magazine, and is an expert adviser in complementary medicine for Prevention magazine.

5 top power foods

Here are five top power foods and how they can help you to stay healthy.

Food	Benefits	Best source
Berries	Contain very high levels of antioxidants which can protect against chronic diseases. Aim for ¼ to ½ a cup a day.	Blueberries.
Oily fish	Great for protein and Omega 3 fats, which play a role in brain function, cardiovascular health and reducing the inflammation associated with many diseases. Aim for twice a week.	Sardines, trout, mackerel, herring and salmon are best (larger fish are more likely to have a higher mercury content).
Olive oil	Contains monounsaturated fatty acids, which are helpful for cardiovascular health. Aim for 1 dtsp a day.	Uncooked and preferably extra virgin. (Add to salads and as an alternative to margarine.)
Nuts	A great source of antioxidants, fibre, protein and essential fatty acids. Walnuts contain a higher amount of Omega 3 fats than any other nut, and research suggests they may reduce the risk of heart disease. Aim for 14 walnut halves, which is about a handful a day.	Walnuts.
Tomatoes	Contain the highest amount of lycopene, an antioxidant which helps protect against cardiovascular disease and can promote eye and prostate health. Aim for one of the following 3–4 times a week: 2 tbs tomato paste or puree, ½ cup of pasta sauce, or one tomato.	Some fresh, some cooked.



To find out more about healthy living, Emily recommends the following websites.

- www.goforyourlife.vic.gov.au
- www.healthinsite.gov.au
- www.betterhealth.vic.gov.au
- www.mayoclinic.com

Keeping busy, keeping well

'When you retire it's important to have a routine and to do things that interest you.'

Greg Fowler's current job description is 'invigilator', a rather frightening word which actually means a person who supervises examinations to prevent cheating.

Calling it his current job is probably not quite right though: Greg's been retired for over five years and is an AustralianSuper Pension member. The invigilator job at Griffith University in Queensland is just one of the many projects he takes on from time to time.

Back in 2006 Greg wasn't really thinking about retirement. Sure, it was somewhere on the horizon, but it wasn't top of mind. 'In the end the decision to retire was made for me, really,' he says. 'My wife got a job offer from the University of West Virginia in America for 12 months, and I went along with her.'

Always a keen walker, Greg got into a routine of walking regularly – about two hours a day. He took in the sights of West Virginia and would play tour guide when Australian friends came to visit.

Now back in Australia, Greg is involved as a support person for the Cannonball Charity Ride*, which takes long trail-bike treks across Australia to raise money for charity. In 2012 he'll be travelling from Brisbane to Perth via central Australia and then across the Nullabor. The money raised will support the research and treatment of EB (Epidermolysis Bullosa), a little-known and rare genetic condition that causes skin to blister at the slightest friction, sometimes spontaneously.

'When you retire it's important to have a routine and to do things that interest you,' he explains. 'I walk a lot, I'm busy with the charity, I stay in touch with friends and I have my family around me. Keeping busy helps to keep you well.'

* If you'd like to know more about the Cannonball Charity Ride, visit www.cannonballride.com.au

Retirement and financial planning seminars for you



Every year, AustralianSuper conducts retirement and financial planning seminars around Australia for members and their families at no additional cost.

Delivered by industry experts, the seminars provide general information and resources which you can use to put a retirement plan into action. You may not need a full financial plan. Of course, if you want personal advice, you can speak with our superannuation advisers over the phone or arrange for a face-to-face appointment with a financial planner.

Our retirement and financial planning seminars are run in the evenings and cover a range of issues including:

- strategies to boost your super before retirement
- investment choice
- transition to retirement
- tax and Centrelink.

The seminar program for 2012 will be available on our website at www.australiansuper.com/seminars early in the new year. Then you can book your place online or call 1300 300 273.

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