OCTOBER 2019

STATE SUPER
SAS Trustee Corporation
100 Years

Keeping members super informed

superVIEWS

SASS
State Authorities Superannuation Scheme

State Super update

Keeping you informed on the latest news and updates at State Super

Annual Member Satisfaction Survey – have your say

Our annual Member Satisfaction Survey is coming up and we will be contacting members by phone in November to have their say.

Thanks to everyone who participated and provided feedback in our last survey, which again gave us very positive results in all areas of service delivery when compared to the broader superannuation industry.

This research has become an integral part of our future planning and will continue to identify ways to improve the services we provide to you.

We also welcome your feedback at any time via our online form at **www.statesuper.nsw.gov.au/contact-us**

Member Beliefs confirm our promise to members

At State Super part of our mission is to provide high quality superannuation services to members to maximise their superannuation benefits.

We decided to confirm our mission to our members with a set of beliefs to clearly set out the way we conduct ourselves in delivering relevant and reliable member experiences.

Your input in this process has been invaluable – both in group research discussions and in the online survey where over 1000 of our members participated.

The purpose of this research was to gauge your overall feelings about State Super in its role as trustee, your expectations on what we deliver to members of the funds, and importance and relevance of the proposed beliefs.

> *We decided to confirm our mission to our members with a set of beliefs to clearly set out the way we conduct ourselves in delivering relevant and reliable member experiences.*

Most members we spoke to display a good understanding of the role of the trustee in managing investments on behalf of members. Our research showed that the proposed beliefs were seen as both appropriate and personally important to members.

The results were positive and with some minor revisions we have been able to finalise these member beliefs.

Our Member Beliefs

State Super promises to:

- Act in members' best interests
- Act with fairness, integrity and openness
- Make it easy for members to understand their unique scheme
- Help members maximise their State Super benefits
- Be a trusted guardian of members' funds

We listen, learn and grow with you.

STATE SUPER
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Investment overview

The big bounce back

Investors have enjoyed a pleasing recovery over the first half of the calendar year, as sharemarkets recovered from the sharp slide in the fourth quarter of 2018. Despite a moderation in global growth, there is ongoing support for markets in the near term thanks to low inflation, accommodative interest rates and some recovery in fiscal spending.

Having said that, the remainder of the year is not without its challenges. Geopolitical tensions, high debt levels, and moderating confidence and investment are threats to growth, but these are still balanced by supportive policy positions.

Obstacles to be navigated

Political events are continuing to throw some curveballs at the world economy. Trump's trade stoush with China, along with tariff threats to other trading partners like the Eurozone, are casting a shadow of uncertainty over market confidence. The positive tone set by the two leaders at the recent G20 meeting may have kickstarted discussions, but there are still the detailed follow up negotiations that need to occur, so there is no guarantee of a rapid resolution.

> *Notwithstanding continuing global political tensions and headwinds to global growth, sharemarkets may continue to benefit from stimulatory monetary policy and solid employment.*

Trump's posturing over the Iran nuclear agreement is also creating political risks, due to the significant global dependency on oil exports from the gulf region.

In China, growth has been relatively low in the mid 6% range this year and may ease further from the downturn in its industrial production and concerns over the health of its financial system.

In Europe, growth is bumping along at a little over 1%, hampered by weaker industrial production, exports and investment. The risk of a no-deal or messy Brexit poses a further obstacle to growth, particularly in the UK which relies heavily on exports to Europe.

Back home, growth has been sub-expectation and is not being helped by rising unemployment, sluggish household consumption, a housing market correction and excessive household debt levels.

Bright spots to focus on

Despite the challenges, there remains cause for some optimism. The easing in global inflation has taken the pressure off central bankers to tighten monetary policy and this should support economic growth. This is somewhat of a turnaround from expectations of late last year.

Corporate earnings remain solid and wages growth is being kept in check, which will help toward extending the expansionary phase of the economic cycle.

For our own economy, the policy stimulus being undertaken in China is positive for our export outlook. Healthy growth in non-mining business investment, together with buoyant prices for our key commodity exports and steady growth in service and manufacturing exports are helping to support the economy.

Market outlook for the remainder of the year

Notwithstanding continuing global political tensions and headwinds to global growth, sharemarkets may continue to benefit from stimulatory monetary policy and solid employment.

We are monitoring the environment closely for potentially rising risks and continue to carefully manage downside risks to the portfolio using several levers including diversification and portfolio protection strategies.

1919 – a year of great change and the start of State Super

Chief Financial Officer Nish Patel, Heidi Kadunc and Rebecca George re-enacted an early board meeting.

This year State Super is celebrating 100 years as a superannuation fund with the first members joining on 1 July 1919, following the end of World War 1. Membership was compulsory for permanent salaried employees of the NSW Public Service.

To mark the centenary of the event on 1 July 2019 State Super re-enacted an early board meeting with current Chief Executive Officer John Livanas, Chief Financial Officer Nish Patel, and two employees, Heidi Kadunc and Rebecca George. The team dressed in period costume and read minutes from the handwritten notes of the period followed by a high tea and cake-cutting ceremony.

The first meeting of the Board held 100 years earlier, was convened at Challis House in Martin Place by the President, Mr R. A. Gilfillan. He had previously been Secretary of the Public Service Board and brought valuable expertise to his new role. In his introductory remarks he referred to the decorations in Martin Place ready for the celebration of peace on 19 July 1919, the date set for celebrations throughout the British Empire.

So, State Super (then known as the State Provident Fund Management Board) launched at a momentous time in history. The Great War had officially ended on 28 June 1919 and Australia's Prime Minister Hughes, and Deputy Prime Minister Cook, signed the Treaty of Versailles and the Covenant of the League of Nations. These were the first such international agreements ever signed by the Commonwealth of Australia in its own right.

> *State Super (then known as the State Provident Fund Management Board) launched at a momentous time in history. The Great War had officially ended on 28 June 1919.*

While the end of the war was celebrated it meant that hundreds of thousands of veterans had returned home and begun the search for work, contributing to an unemployment rate of around 10%. That lead to the introduction of social programs including housing and soldier farm settlement schemes initiated by State and Federal governments and a massive public works program to begin the construction of the Sydney Harbour Bridge.

The State Super fund had been framed in the original Superannuation Act of 1916 and was formally brought into existence on 1 July 1919 with around 18,000 contributors by the end of its first year. The fund provided for a pension in the event of invalidity or death before retirement, a pension at retirement with a reversionary pension for the female spouses of male members. At the time, promotion in the public service was by way of seniority and therefore an employee was expected to be receiving their highest salary when they retired.

The Fund's first annual report showed it had $800,000 under management, invested in State and Local government and Commonwealth securities, and placed at call with the Colonial Treasurer.

The first Board meeting also appointed the fund's first employees and approved Challis House as suitable premises for the fund as recommended by the NSW Premier. It provided for the Accountant to be paid from £400 to £500 (according to qualifications), the Correspondence clerk £200, Shorthand typist £150, Clerk with actuarial or statistical bent £175, Record clerk £200, 2 Junior clerks @ £60 each and the Messenger £52.

State Super received favourable mention in the Sun Newspaper, 15 June 1919...

"...The passing of this Act has so long and anxiously been awaited by the public servants that it is felt that the call upon the service to meet the necessary deductions will be met in the best spirit."

Meet our centenarians

With this year marking the 100th anniversary of State Super we profile some of our long-term members who are also celebrating their 100th birthdays in 2019. All members achieving this milestone are receiving a bouquet of flowers in appreciation.

Dr Elizabeth (Betty) Hall

An eventful life – Dr Elizabeth (Betty) Hall

State Super has been with Dr Hall and her family from 1950 when her husband, Phil, began working at the Department of Public Works as an electrical engineer. His membership continued when he later began his career with the Department of Technical and Further Education (TAFE). Mr Hall contributed as much as he could so his wife and family would always be looked after. When he passed away at the age of 57, Dr Hall was eligible to receive a spouse pension. She continues to receive the pension.

State Super's support over the years has provided Dr Hall with peace of mind. "It's the lack of worry that keeps you going. I can still remember the feeling of relief when I knew that we had superannuation behind us," she said.

Dr Hall has led an eventful life with many twists and turns. She was born in London, England, and lived above her parent's florist business in Earl's Court. Her father died when she was only seven years old, leaving her mother to run the business. Dr Hall's only ambition was to join the family business and she convinced her mother to let her leave school at fifteen. Her mother died suddenly when Dr Hall was aged seventeen and she continued to run the business with the support of her Uncle.

The outbreak of war meant that as a single woman, Dr Hall was eligible for conscription. However, the British government believed that florists were good for morale and she was given temporary exemption. She ran the

Continued over >>

Betty Hall
1946 Sydney

business almost single-handed as labour was in short supply. After long working days, she spent her evenings volunteering with the Red Cross. After the hospital was bombed, she volunteered as a neighbourhood fire-spotter, locating and helping to extinguish incendiary bombs.

As the war continued, Dr Hall's conscription exemption was rescinded. She wanted to join the army as she considered she would make a good soldier, but unfortunately, they were not recruiting at the time and she opted for the Women's Royal Naval Service. On 16 February 1944, she became a transport driver for the Navy. One week later her home was bombed, and she was only given a few days to settle her affairs. Following her training, she was posted with the Combined Operations Single Maintenance Depot in Dorset, replacing damaged radio-equipment in landing-craft. After D-Day she applied for an overseas posting. She was sent to Australia and spent the remainder of the war working as a driver for the Navy.

Dr Hall was keen to remain in Australia after the war and this was made more attractive with the offer of free passage back home within two years. After a year of living in Australia she secured a job at Searles, a leading florist in King Street. She later left Searles for factory work as she wanted her weekends free to pursue her interests as a member of the Sydney Bush Walkers. She met her husband through the bushwalking club, and they married in 1950. They were blessed with three daughters and a son.

Dr Hall's husband wanted to pursue a teaching career and with her support completed an Arts degree at Sydney University. He secured a position at TAFE in 1957 and later became the Director of Curriculum. His membership of State Super continued throughout his TAFE career. "I remember thinking, 'Thank God for superannuation', and the feeling of security helped me to reconsider my own future," said Dr Hall.

Dr Hall was attracted to academia through her husband's studies. She had been attending classes and was awarded a WEA scholarship to the University of Sydney. She passed her first year with Honours in English and after graduating, became a tutor and enrolled in a Master of Arts. After her husband's death, she took up volunteer work but still yearned for an academic life. She was encouraged by her previous supervisor to undertake a PhD. She focussed on the English poet, Samuel Rogers, and spent a fulfilling five years researching his life and work.

Dr Hall continued teaching and led English literature study groups for the University of the Third Age for thirteen years, retiring at the age of 88! She has not stopped researching however, and provided assistance on a book about her friend, Ruby Payne-Scot, a pioneer of radioastronomy. She also completed an online course on dementia for the University of Tasmania.

State Super has continued to support Dr Hall with a fortnightly spouse pension indexed to the CPI on an annual basis. The financial security provided by State Super has meant she has lived an independent life, pursued her academic interests, supported her family and contributed back to the learning community.

Dr Hall's family are justifiably proud of her and recently celebrated her 100th birthday in fine style.

1971 Betty Hall and Phil Hall BA graduation

Meet our centenarians

Ms Judith Watkins

100 years strong - Ms Judith Watkins

Ms Watkins joined the State Super Scheme in 1957 and we have been with her ever since, throughout her long career as a social worker and in her retirement years.

Ms Watkins has lived a full life as a strong and independent woman with an enduring social conscience. Her family are justifiably proud of Ms Watkins' achievements and describe her as intelligent, adventurous, humorous, inquisitive with a strong sense of personal responsibility and a deep Catholic faith.

Ms Watkins was a bright and engaging child and did well at school. As a teenager, she assisted her father in his Wyong law practice. On leaving school Ms Watkins went to Business College and worked in a range of secretarial/bookkeeping roles including a job with a legal firm based in Sydney. World War II meant that she and her female colleagues took on more of the legal work after their male colleagues were sent to war. Ms Watkins contributed to the war effort by volunteering with the Woman's Auxiliary Australian Air Force, later receiving a war medal and an Australian Service medal.

In the late 1940s, Ms Watkins wanted to work in a field that matched her strong social and ethical beliefs and she decided to study social work at the University of Sydney. She was one of the first social workers in Australia to qualify, graduating in 1951. Ms Watkins first role was in Queensland working with children affected by cerebral palsy and their families. While there, she was one of the founders of a support club for adults with cerebral palsy in Queensland.

Overseas travel beckoned and in 1955, she travelled to London for further study and work. While in London she completed work-based placements, including at a mental health facility, and gained valuable practical experience.

Ms Watkins returned home and began working as a social worker with the NSW Department of Public Health. She worked in multidisciplinary teams with doctors and psychiatrists, to look after children in need.

Before she retired in 1975, Ms Watkins was a senior social worker with Child Guidance, part of the Department of Health, and making a real difference to many people's lives. She was well regarded by her colleagues and made an important contribution to the professional body for social workers, the Australian Association of Social Workers.

As a public sector employee, Ms Watkins had the added advantage of State Super membership. She has remained a member ever since enjoying the security and stability the scheme offers. Ms Watkins made regular contributions to the fund while still working to ensure she would enjoy a comfortable retirement.

Ms Watkins has lived an independent life with a long career, her own home and regular travel, and is an inspiration to her nieces and nephews. Being financially secure and knowing she could rely on her State Super pension in her retirement, she was able to assist her family financially when needed.

Ms Watkins planned her retirement well and as an only child and never having been married, this was important to her. A few years after she retired, she lived in the Blue Mountains and continued to travel regularly overseas. Realising she needed to plan for her later years, Ms Watkins then moved to a retirement village. She now lives in a nursing home, enjoying the company of other people and remains close to her extended family.

State Super continues to support Ms Watkins with a fortnightly pension. The consistency of the State Super lifetime pension has provided additional security and together with her careful planning, other investments and family support, she has been very well looked after.

Judith Watkins aged 21

Ilma Woodward celebrates

A life-long passion for teaching – Mrs Ilma Woodward

Mrs Woodward has been a State Super member for many years. She first joined the fund when she began her teaching career at Wentworth High School in 1941 and has been with the fund ever since.

A bright student, Mrs Woodward attended St George's Girls, a selective High School. She then received a scholarship from the Department of Education and undertook a Diploma of Education, focussing on French, German and Latin.

After University, Mrs Woodward was keen to leave city life and requested that her first teaching role be as far away from Sydney as possible. She was appointed to Wentworth Public School and loved her time in regional NSW. While she was prepared to teach what was required, she mainly taught French, Latin, History and English. After several years at Wentworth, she moved and taught in Yass and Nowra before returning to Sydney to teach in Sutherland and later Hornsby.

Ilma Woodward as a child

In 1949, she married Lionel Woodward, a lecturer in French at the University of Sydney. They had met while studying and shared a love of languages, particularly French. Mr Woodward had been a member of State Super from 1927 when he joined the Department of Education as a teacher. Unfortunately, he suffered from serious ill health and as a result, retired early. On retirement, he received a State Super pension. He died at the age of 51 in 1956.

Mrs Woodward continued to teach and gained a position as Deputy Principal at Maitland Girls High. She was later promoted to Principal of Picton High School, one of the first female principals of a co-educational school. A true leader and well respected by both staff and students, Mrs Woodward provided the following advice to her students in 1972;

"It is important to always remember that education is much broader than the mere formal learning of subjects set down in a curriculum.

"The educated person is a well-adjusted person whose life is balanced and in harmony.

"I fear that we sometimes forget the common courtesy, a respect for one another and for our possessions.

"A consideration of others' feelings, a pride in ourselves, our family, our friends, our school and our community are of paramount importance."

Mrs Woodward married George Stokes who was originally from Mullumbimby in northern NSW. They often travelled back to Mr Stokes's hometown to visit family.

Mrs Woodward became Principal of Chatswood High School, a role she 'absolutely loved' until her retirement in 1979, aged 60, after a teaching career of 38 years. She remains passionate about the teaching profession and had a reputation for caring for both students and staff.

Mrs Woodward's other great passion was travel and she regularly travelled overseas with a friend she had met during her teaching days at Wentworth.

On retirement, Mrs Woodward received a State Super pension providing her with much needed security and 'great comfort.'

After Mr Stokes died in 1997, she returned to Sydney but yearned for a quieter life and has lived in Mullumbimby for the past 15 years. She lives independently with her beloved Maltese dog, Bonnie.

Mrs Woodward did not want a big fuss made of her birthday and celebrated with about 40 friends and family with fish and chips, and champagne of course!!

Meet our centenarians

Professor Neville Wills

Remembering a true pioneer - Professor Neville Wills,

BEc BSc MSc FRGS FAIM

1919-2019

A remarkable man who led a rich and compelling life, Professor Neville Wills was also a long-term member of State Super.

Professor Wills joined State Super when he was appointed Foundation Professor of Business Administration at the then University of Technology, now the University of New South Wales, in 1961.

Starting his career in academia at the University of Sydney in 1945, Professor Wills taught Economics and Public Administration. In 1947 he won a Commonwealth Scholarship to attend Oxford University, and completed a thesis on the history of BHP.

Oxford was an extraordinary experience for Professor Wills and challenged what he regards as his sheltered suburbanite upbringing. After Oxford, he spent several years at Carnegie Mellon University further broadening his world view and expanding on his interest in a new field of study called organisational behaviour.

While at Oxford, Professor Wills was presented with a new opportunity. In researching his thesis, he met Ian McClennan, who would later become the Chairman of BHP. On return to Australia, he was offered the position of Chief Economist at BHP in Melbourne. Under the mentorship of McClennan, he enjoyed ten years at BHP learning about and challenging his own preconceptions about big business.

However, Professor Wills always had a passion to teach and share what he had learnt and in 1961 he saw another opportunity and was appointed at the newly established University of Technology in Sydney.

A true pioneer, Professor Wills introduced the first MBA course in Australia, capitalising on his expertise in organisational behaviour and economics. His business smarts, curiosity and enthusiasm for teaching and research attracted high calibre students and established the foundations for the future Australian Graduate School of Management.

The security offered by the State Super Scheme was another compelling reason for Professor Wills to return to an academic career. Brought up by his mother, a single parent, and diagnosed with a genetic eye disease when he was six years old, security had always been important to Professor Wills. "With defective eyesight, I was concerned with security. I was brought up on a need to be financially secure", he explained. Professor Wills remained close to his mother and cared for her until she passed away in 1978.

Professor Wills retired from academia in 1980. However, he continued to provide his expertise as a part-time Chief Economic Advisor for the Commonwealth Bank. In retirement, Professor Wills

Continued over >>

acknowledged his fulfilling and challenging career, "All my careers have been exciting, interesting, different and pioneering. I always used to say they should have called me Burke and Wills."

The continuing financial security and ongoing support from State Super provided the reassurance and freedom Professor Wills needed to pursue an academic career. On retirement, he chose to receive a pension from State Super and this meant he enjoyed a comfortable retirement with his partner of over forty years, Ian Fenwicke.

Professor Wills and Mr Fenwicke shared a love of music and travel, and knowing they had State Super looking after them, meant they could pursue their shared passions.

Professor Wills and Mr Fenwicke reached another milestone in January last year when they were finally able to marry, shortly after the Marriage Act was amended. While they had to wait a long time, the certainty of marriage was reassuring for the couple.

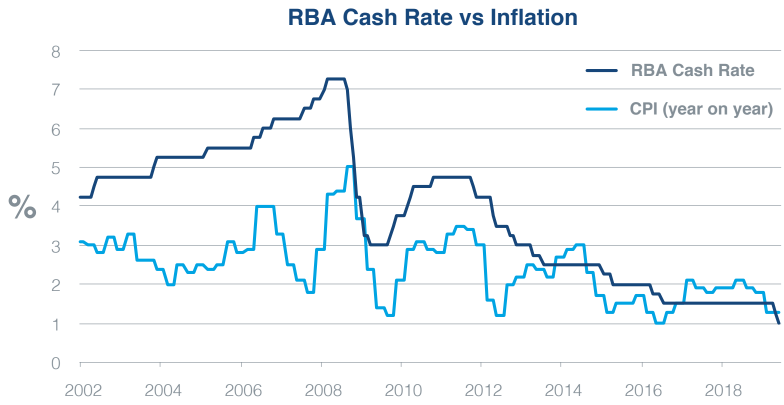
Sadly, Professor Wills passed away in March this year. However, he always knew and was comforted by the fact that State Super would look after his partner and provide financial surety to Mr Fenwicke.

Professor Wills was very happy that his superannuation fund provided for him and his partner, "I think the State Super Scheme is simply marvellous. It's a wonderful scheme. Best of the lot."

Neville Wills and Ian Fenwicke

Smart investing when inflation and interest rates are low

Successive interest rate cuts by the Reserve Bank of Australia (RBA) have left investors and borrowers divided on the state of the investment landscape. In this article we look at how investors and borrowers make the most of a low inflation and interest rate environment.



Looking after the economy

Central banks around the world use interest rates as a tool to control economic growth.

In Australia, the RBA strives for price stability, full employment and overall economic prosperity. These are ambitious yet important objectives, and the RBA employs several strategies to achieve this long-term stability and growth.

- Targets inflation between an average 2-3% over time.
- Increases interest rates to reduce inflationary pressure when growth is strong, and the economy is near capacity.
- Cuts interest rates to stimulate demand when growth is weak and there is excess capacity and high unemployment.

Inflation has been a global concern for many years. During most of the last five years in Australia we have been below the RBA's target 2-3% band. But interestingly, we have enjoyed a fairly low unemployment rate (currently 5.2%), and the RBA's recent research suggests the unemployment rate can go lower without putting pressure on inflation. So, with continued concern over the growth of the economy, low wages growth and low inflation, it cut interest rates in June and July.

Cash doesn't always provide all the answers

While cash is a perceived safe haven for money during times of volatility, it could come at a cost.

When the RBA cuts rates, banks, building societies and credit unions follow with cuts to interest rates on savings accounts and term deposits. So, if all your money is in a cash-based investment, your money is actually going backwards compared to the prices of goods and services.

If you earn 1.25% interest on a savings account (the typical standard variable rate today) and the inflation rate is 1.75%, the real rate of return on your money is negative 0.5%.

And this is before you've taken into account any tax on the interest earned.

So, when investors seek to find a return that's higher than the cash rate, they look elsewhere for alternative investment opportunities. This means they are willing to accept a higher risk than they have with cash investments and also accept the higher volatility associated with the alternative options.

But when the cash rate is lower, the required rate of return on other assets also falls, particularly in bonds and property where yield is a significant proportion of the return. In turn, the price of these assets increases, because when investors demand a higher return, this usually means they're willing to pay a higher price.

We have seen this with the sharp increase in the Australian share market this year, particularly those shares that have a higher than average yield.

Strategies to consider when interest rates are low

We understand everyone's situation is different. You may be able to focus just on saving for your retirement or trying to reduce debt as well. You may also be needing income from your investments to supplement part-time work.

Whatever stage you're at, there are some simple strategies you can use to invest effectively in a low inflation and low interest rate environment.

Maximising your future superannuation entitlements

Fortunately for those contributing to SASS, the employer financed benefit component of your superannuation is based on a formula, not the performance of investment markets. So, it's even more important to ensure that you are maximising the employer contribution towards your retirement.

Each benefit point accrued (up to a maximum of 180 benefit points for standard SASS members or up to 162 points up to age 55 or up to 180 points from age 58 for former SPSSF members) provides an employer financed benefit of 2.5% of final salary or final average salary depending on your type of exit. The precentage is 3% for former SPSSF members.

Your SANCS benefit is based on your years of service and is also calculated using a formula.

A good way to check your progress with SASS is to review the 'Your Benefit Points' section of your annual statement. If your 'Accrued' Benefit Points are equal to the 'Maximum' Benefit Points and 'Your contribution rate' is 6% or above, then you are currently maximising your employer contribution.

If your 'Accrued' is below the 'Maximum' then you are able to 'catch up' within annual limits, so it is better that you are contributing above 6% and perhaps up

> *It might be worth talking to a financial planner who understands your scheme to guide you in deciding the right option for you. Whether that's to reduce debt as quickly as possible, or to add money to your superannuation.*

to the maximum 9% depending on your situation.

There's a large number of possible scenarios however the important thing is to focus on maximising this area of saving and then consider any other methods we discuss.

How to make your cash investments work harder

If you have cash to invest in a bank account then an interest rate cut will likely be directly passed on to you. If you have money invested in a term deposit, you are likely to be offered a lower interest rate if you roll it over at maturity.

If this applies to you, you may be offered something new, or you might find that by changing providers, you can take advantage of an attractive introductory rate for a given period. However, be aware that introductory rates generally change to a lower rate afterwards.

- Don't assume your bank, building society or credit union necessarily has the best rate of return or most effective investments. Research whether there's a better return or opportunity elsewhere.
- Use comparison websites to find the best rates available.
- Remember, the first $250,000 is guaranteed by the government if you hold a deposit at a bank, building society or credit union.

I have a mortgage...

An interest rate cut is usually good news for property owners because the cost of borrowing money goes down and you'll probably have lower repayments. You have the choice of whether to spend the amount saved to make ends meet in the short term, or you could consider how to use it to get ahead with your finances in the medium to long term. Here are some ideas to consider:

- Firstly, are you maximising your SASS employer financed benefit? If you need to, the surplus created by the lower repayments could be redirected to making higher contributions to your personal account up to 9% of your salary.
- Using the saving to pay off any credit cards or other debt
- It's also a great opportunity to get ahead if you can continue to make the same repayments on your mortgage.
- If you are maximising your SASS contributions, you may like to consider making some top up contributions to another superannuation fund and make the most of your concessional contributions cap.
- If you prefer to have access to your money, why not let it build up in an offset account and reduce the amount you pay on the loan's interest.
- Think about switching from an interest only loan to principal and interest and pay off the debt more quickly.
- Talk to your bank or lender and find the best rate. Don't be afraid to change providers however research what making changes means to you.

Often, in the later years of retirement, making deductible contributions to superannuation within your limits and using your benefit to pay off debt at retirement is a more effective way than reducing the loan with money that has had your marginal tax rate deducted.

I'm trying to increase my return on my long-term savings

Investors in Australian shares and high-grade bonds are usually the early beneficiaries of an interest rate cut.

Historical experience suggests that returns for Australian shares six months after an RBA rate cut tend to rise by 5.9%, with bonds rising by an average of 1.8%[1].

Shares typically rise because lower interest rates generally lead to increased spending and investment. They also make share dividends and fixed bond coupons more attractive than returns available from cash investments in banks, building societies and credit unions.

In a quest to increase the interest they earn on their money, many investors will be attracted to the promise of higher yields of investing in shares, corporate bonds, property and other investments, but at what cost? The trade-off for the potential for higher returns is the possibility that you might lose some of your original investment or that the investment may not perform as expected.

Regardless of where your long-term savings are (superannuation, managed funds, on call or fixed deposit holdings etc), experts agree that diversification is the key to smart investing. Put simply, diversification is spreading your money between different asset classes (shares, fixed interest, property and infrastructure), and investments within those asset classes.

Each type of investment behaves differently, so if you have a mix of investments it will minimise the risk that they will all lose value at the same time and increase your chances of a better overall return.

Know what's right for you

As we always say, an investment strategy shouldn't be set and forget. The investment landscape changes constantly, and you need to feel confident that your strategy suits your financial goals and you are equipped to ride out short-term ups and downs.

Spreading your money across different investments can help to reduce risk and balance out returns.

If you want to discuss your investment portfolio and ensure it's structured to allow you to achieve your goals, and have the security that your money will last, it's a good idea to partner with a financial planner.

StatePlus financial planners tailor advice to your unique situation. A StatePlus planner will help you put in place an investment strategy to meet your financial goals. They will also ensure that you are making the most of your Centrelink entitlements. Your first meeting with a StatePlus planner is free of charge and obligation.

To book an appointment, just call **1800 620 305**

1.Source: StatePlus

Your member benefits

STATE SUPER
SAS Trustee Corporation
100 Years

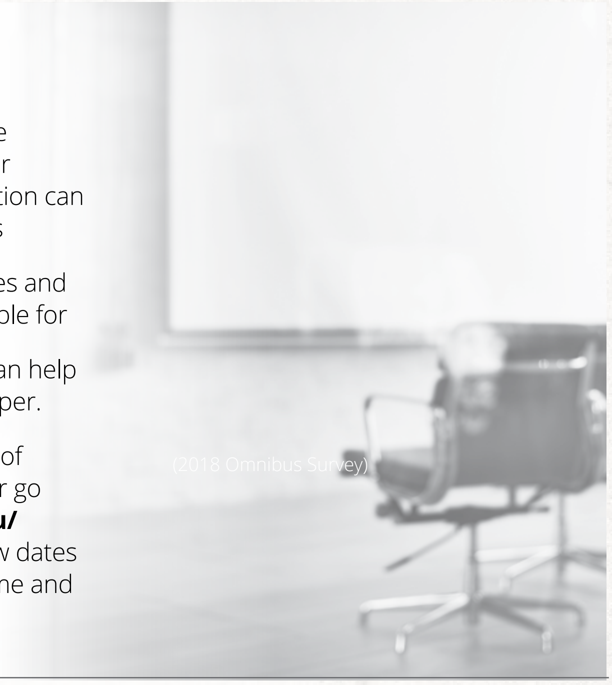
Sign up for a Seminar

State Super seminars are presented by qualified financial planners from StatePlus on our behalf. They can help you understand how to maximise your superannuation and plan for the future. StatePlus planners are specifically trained in your superannuation scheme.

Our Seminars will help you to:

- learn more about your scheme – how it works, what your choices are and how to make the most of your available benefits
- understand how and when the decisions you make about your employment and superannuation can affect your retirement benefits
- understand the Centrelink rules and the benefits you could be eligible for
- find out how a financial plan can help you make the most or your super.

To make a booking to attend one of our seminars call **1800 620 305** or go to **www.statesuper.nsw.gov.au/seminarsass**, where you can view dates and locations for seminars at a time and place that is convenient for you.



Visit our Interview Service at Clarence Street Sydney

State Super's free Interview Service is available to all current and deferred benefit members as well as pension members.

Interview Services are available by appointment only from 9.00am to 5.00pm on Fridays.

Interviews take place at the Trustee's office, centrally located at **Level 16, 83 Clarence Street** in the city. Customer service staff can meet with you face-to-face to assist with general advice about your scheme, superannuation information, and even assist with completing administrative forms or other paperwork.

Need help with English?
For members who need help with English, Customer Service can arrange for information to be translated through the Government Interpreter Service.

Call us to make an appointment at **Clarence Street** and at selected StatePlus locations **(Parramatta, Newcastle and Wollongong**).

SASS - 1300 130 095

If you don't have time to visit, information is available on our website - details about the rules, benefit entitlements and membership conditions of each of the State Super schemes are provided in a series of fact sheets. For copies, visit **www.statesuper.nsw.gov.au**

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