

# YOUR FUTURE



Australian Public Superannuation Fund (APS)  
ABN 75 053 704 706

SPECIAL ISSUE

## Superannuation still a solid investment

**Throughout the world, investment markets are experiencing a period of uncertainty and the much-anticipated economic recovery is yet to materialise. As a consequence of the current environment, investment returns remain in negative territory.**

Superannuation schemes anticipate negative investment returns at least twice in every 10-year period – 2002 and 2003 may see this eventuate.

That doesn't mean superannuation is a bad investment. In fact, by all measures, superannuation is one of the best long-term investments available today. The Fund is confident that a well-balanced investment portfolio will always outpace short-term volatility.

What gives the Australian Public Superannuation Fund (APS) its strength is

the diversified nature of the investment portfolio. That is, it has not got 'all its eggs in one basket'.

The Fund holds substantial investments in commercial real estate, government securities, Australian-owned companies and international corporations.

While the slowing of the world economies has impacted the value of these holdings, the investments remain sound and will deliver solid long-term returns. Given that most members are in super for a period of 20 years or more – it is the long-term returns that are important.

For members who are close to retirement, one or two years of negative returns may impact their retirement decision – these members are encouraged to discuss their plans with a Fund representative.

The Fund offers free member interviews over the telephone and at all offices. Please phone 1800 067 059 for more information. ★

## FROM THE CEO



Dear Member,

Welcome to the first 2003 issue of your member newsletter *Your Future*. In this issue we look at the questions members need to ask as they approach their retirement. Further, details about the regional office network are provided which give many members improved access to the Fund.

Investment markets worldwide continue to react to the negative impact of a slowing world economy and geo-political instability. These influences have resulted in low or negative returns for most super funds over the past two years. Our cover story looks beyond the short-term, by graphing the year to date and five-year investment returns and demonstrating the diversified nature of the Fund's investment portfolio.

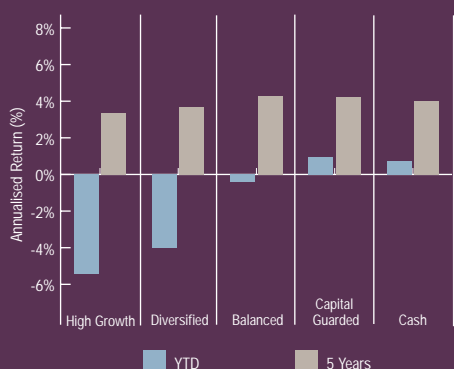
This issue also highlights the various discounts that members may look forward to through the 'Fair Go' member rewards program and we introduce our new home loan service featuring a 'nil' application fee and low interest rates.

I trust you will enjoy reading this issue, and invite you to phone Member Services on 1800 800 002 if you require further information.

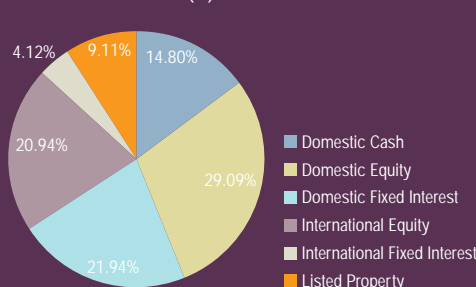
Yours sincerely

Brett Westbrook  
Chief Executive Officer

### APS Accumulation Scheme Performance



Market Value Allocation Accumulation Scheme (%)



# Servicing members

## in metropolitan and regional NSW

### Regional offices



Baylis Street, Wagga Wagga

A new regional office to service the members living and working in the Illawarra region is to be opened in Wollongong later this year. Mr Brett Westbrook (CEO) stated that: "Improving our service to members remains a priority for the Fund and expanding our services through regional offices has proved beneficial to members."

"The new Wollongong office will complement the statewide coverage that includes offices in Sydney, Lismore, Orange and Wagga Wagga, and the satellite offices in Albury and Goulburn."

Fund members are being encouraged to discuss their superannuation in person with qualified staff at the APS office nearest them.

Members living too far away from the branch network can discuss their superannuation with Member Service staff by phoning 1800 800 002. ★

#### Regional offices

Sydney	28 Margaret Street, SYDNEY
Lismore	81-83 Molesworth Street, LISMORE
Orange	187 Summer Street, ORANGE
Wagga Wagga	2/209 Baylis Street, WAGGA WAGGA
Albury*	429 Swift Street, ALBURY
Goulburn*	148 Auburn Street, GOULBURN

*\* Albury and Goulburn satellite offices are staffed one day per month – bookings are essential.*

### Website: online and up-to-date

The website has proved a hit with many members.

More than 1,500 members log on each month to check their balances, review Fund performance or use one of the many financial calculators to assist them with their financial planning.

Anyone can access the website by simply logging onto [www.chifley.com](http://www.chifley.com)

Of course, a member's private account details can only be accessed by registering for a personal password.

To obtain this password simply log on and click on the 'APS Online' prompt. ★

Chifley



### You belong to Chifley

Chifley Financial Services was established in 1991 to be a financial service provider whose primary business driver was not profit, but respect for the needs of members.

In March 1995, Chifley launched the Australian Public Superannuation (APS) Fund to offer working men and women a cost-effective, flexible superannuation fund which offered its members choice.

The Labor Council of New South Wales and the Local Government and Energy Industries Superannuation Schemes' jointly own Chifley Financial Services.

While conscious of the need to be socially responsible, the owners believe it is important to give members a cost-effective and relevant range of products and services.

Not only does Chifley offer superannuation through the APS Fund, Chifley also provides:

- Retirement Planning Advice.
- Redundancy Advice.
- Life Insurance Products.
- Health Insurance.
- Home Loans – no fees.

Enquiries: 1800 800 002 [www.chifley.com](http://www.chifley.com)

# Play it safe

## Planning for your retirement

Members who are planning for their retirement need to know how to get the most out of their super. That is why your Fund established Chifley Financial Services, the Fund's financial planning arm, so members have someone to turn to when they are about to retire – someone they can trust.

When considering who to turn to for financial planning advice there are several important things to consider. Here are some of the questions you need to ask:

**Q** Are the financial planners being paid a commission or a 'kick back' to invest your money?

**A** Chifley qualified planners are paid a salary and earn no commissions or brokerage from your account. This means there is no incentive to recommend investments that don't meet your needs.

**Q** What are all the fees and charges?

**A** Chifley fully discloses all fees and charges – right up front – their ability to provide competitive rates is one of their key advantages.

**Q** Have you had any experience with the organisation – what's their track record?

**A** When you retire, Chifley is committed to bringing you the same low-fee, high value service that you currently enjoy – that is you remain a member of the Fund that you have come to know throughout your working life.



**Q** What do I do next?

**A** After you have discussed your retirement plans with family and friends, give Chifley a call on 1800 800 002 to arrange an obligation free discussion at the Fund's office closest to you. ★

# Our very own home loan!

## Help yourself with a low-interest, fee-free Home Loan from Chifley

Chifley Home Loans has been set up especially to help Australians own their homes sooner.

So, in plain English, we offer you:

- Very low interest rates.
- No hidden or extra fees.
- A choice of loans to suit you.
- Straightforward, everyday language.

At Chifley, we're totally upfront with all aspects of your loan. You can rest assured that when you *Come Home to Chifley*, there'll be no nasty surprises just when you're getting comfortable.

It's a good feeling when you take out a Chifley loan. You know you're getting a great deal, with everything you need to know made clear and on the table. But best of all, you know you're achieving your goal of owning your home as fast as possible.

So help yourself. That's what Chifley Home Loans are there for. To help you help yourself.

For the home loan that's right for you, call Chifley now on 1800 800 002 or visit the website at [www.chifley.com](http://www.chifley.com)

# It's time you had a 'fair go'!

'Fair Go' is the name of a new member rewards program that gives all Fund members discounts on a range of products and services. The program was launched to all APS members in December 2002. Using the Fund's 'bulk buying' power, we have been able to negotiate discounts for members on hotel accommodation, regional airline fares, health insurance and much more.

## Member discounts are available on:

- hotel accommodation;
- regional airline airfares;
- life insurance;
- health insurance;
- salary continuance insurance; and
- Wonderland Sydney tickets.

For further information, phone 1300 550 401.

# Where is the quality?



**The instability in the Middle East combined with last year's poor showing on world share markets makes 2003 another tough one to call for investors. Will it be another year where property and bonds beat other asset classes or will things be different? Is it time to buy knocked-down shares at bargain basement prices?**

Despite 2002s doom and gloom performances, the Australian share market was again a top performer. Companies paying a healthy dividend yield showed the most solid performances including the banks, Tabcorp, Telstra, PBL, Woolworths and Cochlear.

In good times or bad, even when it seems like we're treading water, put your faith in quality (companies with a proven market niche and good management) and you will be able to ride out any short-term storms. Unless you are a trader, you don't need to focus on the short-term problems, just remember that quality always bounces back.

Managed funds are a good way for less experienced investors to build exposure to the share market through professional advice. Consider the size of your investment portfolio and the timeframe of your investment – are you just starting out and building wealth? Do you have a large nest egg already saved and want to be more cautious or are you thinking about retirement and wanting only short-term investments? Each scenario means you will be looking at different funds and fund managers.

For short-term investors, BGI, Perpetual, UBS, Credit Suisse and JB Were are among the stronger performers. International shares

have been the poorest performing sector of late but those looking longer term, better performers include funds managed by ABN Amro, Dresdner, MFS, Rothschild Growth (managed by Putnam).

“  
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## A question of style

It's important to have a good idea about what style of manager is looking after your money. Are they growth or value managers? Are they active or passive? Markets are

unlikely to deliver the double-digit returns of the 90s, therefore many investors are now finding that they no longer need to pay for active managers.

Active managers aim, and in many cases succeed, in outperforming the index or market benchmark. But active management is expensive (requiring extensive research and analysts) and in times of single-digit returns (positive if you're lucky) the profit margin shrinks. The passive manager by comparison is less expensive because they aim only to match the index.

While there are risks with either style of management, each has its advantages and disadvantages.

In times when the market favours large blue caps, active managers can face a tough job in outperforming passive managers. However, as the economy changes and particular sectors fall in and out of favour, active managers will once again add value.

## Growth versus value

Investing in growth or value managers is also somewhat dependent on the state of the markets, typically in a bear market, like we've experienced, the value funds are the best performers.

In fact, they have slightly outperformed the market over the past 75 years. However, when the bull market returns, it is the growth stocks that are pushed to the greatest heights. So while it's important to read the markets carefully and pick your style to take advantage of the current investment climate the secret is in diversification – a bit of this, a bit of that. ✦

If you have a question on any super-related topic, our call centre staff will assist you. Simply phone Member Services on:

1800 067 059 • [www.chifley.com](http://www.chifley.com)