

Employer Newsletter



March quarter 2010

FuturePlus Super



Welcome to the Employer Newsletter

In this issue, we explain how we can provide you with a one stop super shop. We also introduce you to our new Relationship Manager, Daryl Collison, and report on the progress of the Cooper Review which could lead to far reaching changes in Australia's \$1.23 trillion superannuation system.

As usual, we include some administration reminders and an update on FuturePlus Super's investment performance and how investment markets have performed.

Remember that we can help you with superannuation, insurance, financial planning and home loans. If you need assistance with any of these services, please contact the Employer Helpline on **1800 636 441**. If your employees have any enquiries, they can contact Member Services on **1800 067 059**.

Providing you with a one stop super shop



Chifley Financial Services is committed to providing you with the best experience and service possible. That's why we provide you with a dedicated Relationship Manager who understands your sub-plan or company's super arrangements and ensures your needs are met.

"A positive client experience is one of our founding principles and remains a core focus of our business," explains Chris Miles, a Client Relationship Manager at Chifley Financial Services. "Our aim is to provide you with personalised service and support, and a central point of contact."

To start with, your Relationship Manager will develop a pro-active service plan for the delivery of your superannuation arrangements. He or she will then be on hand to help you:

- Develop a communications strategy to raise employee awareness of the benefits being offered to them
- Facilitate free employee education on super and wealth creation, either through on-site seminars or one-on-one financial planning consultations

- Establish a Policy Committee for your plan and co-ordinate its ongoing activities
- Assess your insurance needs and ensure that you are getting the best cover possible for your staff.

To make sure you are still getting the best deal, your Relationship Manager will organise an annual review that benchmarks your superannuation arrangements with those offered by other leading providers within the market.

If your arrangements make the grade, your Relationship Manager will revise the plan to ensure it continues to meet your needs and those of your employees in the future.

"Our role is to help you offer your staff a cost-effective package of competitive benefits which contributes to making you an employer of choice in your industry," says Chris.

Keep us up to date

Please keep us informed of any changes to your contact details.

So that we can communicate with you as efficiently and directly as possible you should send details of any payroll personnel changes or postal or email address changes to employeronline@futureplussuper.com.au so that we can keep our records up to date.

Meet our new Relationship Manager: Daryl Collison



Daryl Collison is the new face at Chifley Financial Services after joining our team in January as a Relationship Manager.

Daryl has vast experience in dealing with employers and HR managers, having worked in recruitment for the past decade. "The product has changed,

but the interaction with clients and potential clients isn't that different," he says.

Sports mad Daryl recently completed a financial services diploma and has long had an interest in finance and economics. "I love interacting with people from all walks of life and I am looking forward to helping members improve their financial position".

He's also excited about working in a member first environment. "The recruitment world was very dollar driven, but here our focus is on helping individuals with their particular needs and not on how much money that brings in."

Administration update



Member numbers

We require member numbers on all contribution files. If you need to update missing member numbers on your payroll system please ring the Employer Helpline and request a file of all your active members.

Contribution files

Please ensure that contribution files do not include formulas in the contributions fields and that the fields are set to two decimal places. When we convert formulas or the contribution fields to two decimal places, discrepancies between file totals and the contribution payments can occur.

Please note that files should not include negative contributions. If you have made an error and need money to be refunded, please email the details separately from your standard remittances to employerservices@futureplussuper.com.au

Forms

Please ensure that any employer form or Application for Membership form you give to an employee is a current form. For legal reasons we are unable to accept old, out-of-date forms. Please visit the FuturePlus Super website at www.futureplussuper.com.au for access to current forms.

How do your superannuation arrangements stack up?

Are they:

- Simple to use and easy to manage?
- Cost efficient?
- Able to provide a wide range of investment options to meet different member needs?
- Flexible on group insurance?
- Compliant with Choice of Fund requirements?
- Suitable for your business?
- Able to provide free financial advice on all wealth creation needs?
- Strong on educating members?
- Able to offer members extended benefits via discounted financial, lifestyle and entertainment offers?

Call Chifley on **1800 800 002** to discuss your superannuation arrangements.

Quarterly SG contributions

The following table obtained from the ATO lists the cut-off and lodgement dates for quarterly contributions.

Superannuation Guarantee quarter ended	Cut-off date for Superannuation Guarantee contributions	Due date for lodgement of an SG statement and payment of the SG charge if contributions are not made on time.*
1 July - 30 Sept	28 October	28 November
1 Oct - 31 Dec	28 January	28 February
1 Jan - 31 March	28 April	28 May
1 April - 30 June	28 July	28 August

* The SGC is not tax deductible and cannot be reduced by the ATO.

A super shake up is under way

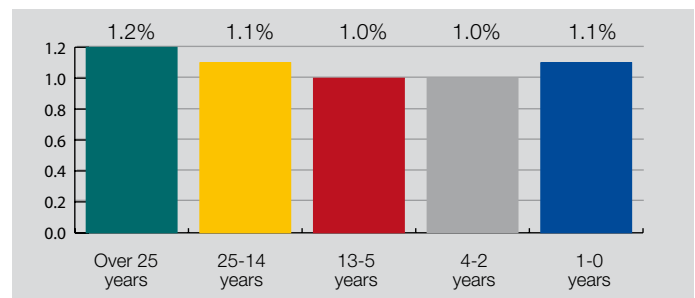
Performance

For the quarter ending 31 March 2010

LifeCycle Objective Management Program

The returns for the LifeCycle Objective Management Program are:

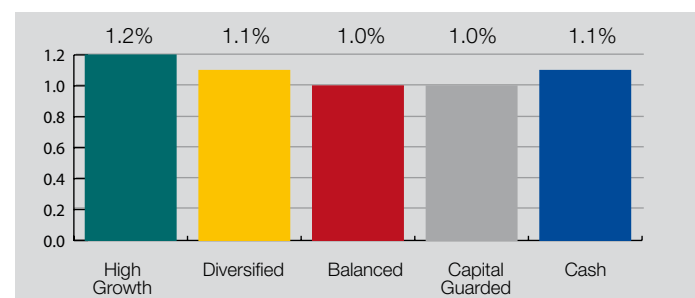
Number of years remaining to retirement



Managed Portfolio Program

The returns for the Managed Portfolio Program are:

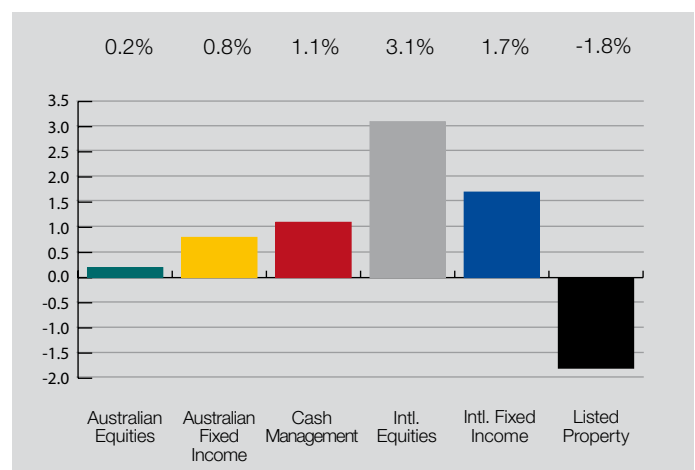
Strategy performance



Member Choice Program

The returns for the Member Choice Program are:

Investment pool returns



All returns are shown to one decimal place.



A major review that could lead to far reaching changes in the governance, efficiency, structure and operation of Australia's \$1.23 trillion superannuation system is well under way.

The second phase preliminary report was released in late March 2010 and targets the back-office operations in super and proposes a number of measures designed to make these arrangements more efficient and more cost-effective.

The recommendations put forward by the panel have been given the title SuperStream. Specifically they relate to:

- Using industry-wide standards to improve the quality of data when members enter the system
- Electronic Funds Transfer (EFT) for all participants
- Better use of technology, including straight-through processing
- E-commerce solutions to replace paper
- Extending the use of the TFN as an identifier throughout the system and
- Eliminating redundant processes, leading to simpler rollovers and consolidations.

It is estimated that these changes could lead to reduction of costs in the industry of more than \$1 billion per year.

While many of the Cooper review's preliminary recommendations have been controversial and have received a mixed reception within the industry these proposals have attracted general industry support and have been welcomed warmly by most of the major industry bodies such as AIST (Australian Institute of Superannuation Trustees) and IFSA (Investment and Financial Services Association).

The panel is currently looking at phase three of the review which focuses on Structure (including self-managed super funds) and will provide its final preliminary recommendations before the end of the financial year.

How investment markets have performed

Economic news for the first quarter of 2010 was largely positive. Domestically we saw unemployment continue to fall, reaching 5.3% by the end of March. This contributed to the growing optimism about the underlying strength of the Australian economy. The rate of inflation of 2.1% is within the target range of 2% to 3% and GDP growth for the year ended 31 December 2009 was 2.7% indicating that the Australian economy is growing at a reasonable pace. The significant government stimulus that was thrown into the economy throughout 2009 has now largely been removed and the economy looks to be sufficiently strong to support continued growth without it. If you add to this picture the increasing demand from China for Australian raw materials, the economy looks to be in good shape.

In the US, unemployment fell marginally through the quarter, but still remains at historically high levels with a current rate of 9.7%. There does appear to be some improvement with jobs data released in early April suggesting that companies are no longer being forced to cut staff at the same rate as before. This was very significant news as a full recovery is very difficult to achieve when you have so many people out of work or fearing for their jobs. World stock markets certainly saw this jobs data as positive news with a two-day rally of 1.5% following the release.

The US Federal Reserve has stated that they expect to keep interest rates at abnormally low levels of 0% to 0.25% for an extended period in order to provide further stimulus to the economy.

The market commentary below is provided to give an indication of the various factors affecting the investment performance of individual asset classes. It is based only on the gross performance of the relevant market index and no allowance is made for taxes or fees as they apply in your superannuation investment. It is provided merely as an indication of relative performance between asset classes and should not be used as a measure for judging the performance of a member's investment strategy.

Australian Equities

The Australian share market benchmark, the S&P/ASX200 Accumulation Index, returned 1.4% for the quarter. This was an impressive return given the poor start to the quarter with a return of -6.2% in January. The following two months of the quarter,

though, continued in a similar fashion to much of last year with excellent returns, driven by improving company earnings and an improving economic climate.

International Equities

Like the domestic market, international shares started poorly, but finished the quarter strongly with the benchmark for global shares, the MSCI World ex-Australia Index returning 1.1% on an unhedged basis. Adjusting this for currency movements (hedging) improves this further as the Australian dollar rose against all major currencies during the quarter and added a further 3.8% to the benchmark performance. Global share markets have gone some way to recovering the losses of the latter part of 2007 and 2008 with one year returns approaching 50%. However, there is still a fair way to go before we can declare that a full recovery is under way with a high level of economic instability in developed nations.

Cash and Fixed Interest

The Reserve Bank of Australia raised interest rates by a further 0.25% in March to take the overnight cash rate to 4% by the end of the quarter. (The RBA further raised rates in early April to 4.25% making it five rate rises in seven months). Many were surprised that rates were left unchanged in February, but Reserve Bank Governor, Glenn Stevens, justified the decision by stating that after three consecutive rises at the end of last year, it might have been a case of too-much-too-soon to have had a fourth consecutive rise in February.

Short-term money markets rallied with the UBS Bank Bill Index finishing up 1.0% for the quarter. Bond markets also reacted to the rate rise with yields rising and bond prices falling in March to bring the quarterly return back to 1.1%. Globally, government bond prices increased with the benchmark S&P/Citigroup World Government Bond Index (Hedged) returning 2.1% as interest rates in the majority of developed nations remain historically low.

Credit markets continued to rally in a similar fashion to shares with doubts over corporate debt slowly diminishing as the credit crisis eases. The benchmark for credit investments, the Barclays Capital Global Credit Index, returned 3.6% for the quarter.

We have branches at:

Sydney: 28 Margaret Street
Lismore: 81-83 Molesworth Street
Newcastle: 161 King Street
Orange: 187 Summer Street
Parramatta: Suite 3, Ground floor, 10-14 Smith Street

Wollongong: Shop 2/60 Burelli Street
Wagga Wagga: Shop 2/209 Baylis Street
Albury*: 621 Dean Street

* Bookings are essential. Phone 1800 067 059 to make an appointment.
Office hours 8.30am - 5.00pm Monday - Friday

Employer Helpline: 1800 636 441
Member Helpline: 1800 067 059
Employer Fax: (02) 9299 9321
Member Fax: (02) 9279 4131
Website: www.futureplussuper.com.au

Address: Ground Floor
28 Margaret Street, Sydney
Write: PO Box N835
Grosvenor Place NSW 1220

Email: employerservices@futureplussuper.com.au
(general employer queries)

Email: employeronline@futureplussuper.com.au
(contribution files and changes)



**FuturePlus
Super**

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