

# YOUR FUTURE



FUTUREPLUS SUPER  
ABN 76 829 356 693 - Silver

Financial year ending June 2005



## A retrospective of the 2004/05 financial year

The investment returns delivered during the past twelve months have again been dominated by Australian equities.

Any portfolio with a sizeable allocation to the Australian share market would have benefited significantly by the very strong increase in that market, although the more defensive portfolios also delivered good gains for investors.

Overall, in what was a challenging market environment, good returns were generally recorded across the board for the year.

**The next year** - It is difficult to see

investment markets being as "generous" in the 2005/06 financial year.

Global growth and corporate earnings would appear to have reached their peak while inflation appears unlikely to drop below its current exceedingly low levels.

A reversal of any, or all, of these factors is likely to weigh heavily on investment returns during the new financial year.

While the Fund will act to generate the best possible return that it can, it is unlikely that in 2005/06 it will be able to match the results of the last couple of years.

## Choice of superannuation fund

On July 1, 2005, the Government introduced 'Choice of Superannuation Fund'. If you are eligible for 'Choice of Fund', complete the Superannuation Choice Form enclosed that includes the complying fund statement and submit it to your employer. This will make sure your employer contributions go to FuturePlus Super.

You can also ask your payroll department or HR team for an ATO Standard Choice Form. The following FuturePlus Super identification numbers will be required when you fill out the Standard Choice Form:

- Australian Business Number (ABN) 76 829 356 693
- Superannuation Fund Number (SFN) 299 735
- Superannuation Product Identification Number (SPIN) CFS0102AU

Like all other Australians, you are likely to be bombarded by other superannuation  
*(continued on page 2)*

## From the chair



It is with great pleasure that I inform you of yet another year of strong investment performance from your Fund. The 2004/05 financial year has been a rewarding year for our members, especially for those members

with investments in Australian shares. Listed Property Trusts also put in a strong showing.

But, while local shares were the star performers, portfolios dominated by cash and fixed interest also held their own and solid returns have been recorded across the board.

As a result, our more aggressively managed investment options, which have higher allocations to local shares and listed property, have performed very well, with the High Growth Strategy returning 14.7% for the year (after fees and taxes). Looking at some of the less aggressive investment options, our Balanced Strategy returned 11.0% and the Cash Strategy returned 4.0%.

You may wish to take this opportunity to review your superannuation investments and consider whether the strategy you are currently in is consistent with your objectives. You can do this by consulting one of our Financial Planners at no additional cost to you.

It's also been a good year for your Fund which has made several advancements in its continuous drive to improve its services to you.

We have also increased the number of Financial Planners we have on hand to help you secure your financial future and we've introduced an Estate Planning service. In addition, we've added considerably to the savings you can enjoy through our Fair Go Member Benefits Program.

We are currently looking to introduce a range of extra features to your Fund, which we will let you know about as they become available.

I look forward to continuing to serve you and thank you for your ongoing support.

Bernie Riordan  
CHAIR  
Chifley Financial Services Limited

# Women lag in retirement savings

**Women lag way behind men when it comes to amassing enough superannuation to retire on - an issue of great concern considering that they are more likely to live longer than men.**

Studies show that women usually have lower balances in their superannuation fund accounts than men. This is because many work in part-time or in casual positions or work fewer hours than men. Even if they work full-time, women earn less than men on average. In addition, many women take time out of the workforce to raise their families or care for elderly relatives.

With such broken work patterns, women are not in the paid workforce for sufficient periods to accumulate adequate superannuation savings. So just relying on the 9% Superannuation Guarantee made on their behalf by their employers will leave many women streets behind in their retirement savings.

To make matters worse, women tend to spend more years in retirement than men because they usually live longer. This means that their savings will have to stretch further - and even much further than in the



past because the longevity of all Australians is expected to keep rising.

Given life's many uncertainties, it is also risky for married women to assume that they can rely on their husband's income and savings to fund their 'golden years'.

Some tips on how women can boost their retirement savings:

- Start saving for retirement as early as possible.
- Make voluntary contributions to compensate for less time spent in the

workforce and lower average earnings.

- Attend a free Wealth Creation Seminar offered by your Fund to learn more about investments and how you can improve your financial circumstances.
- Seek Financial Planning advice to develop a strategy to maximise your retirement savings.

If you would like to speak to a Financial Planner at no additional cost to yourself, or to find out more about our free Wealth Creation Seminars, please call Member Services on 1800 067 059.

## Choice of superannuation fund *(continued)*

funds with campaigns aimed at getting you to switch your superannuation over to them. But be rest assured that you are already with a good Fund. Your Fund provides you with:

- Low fees
- A track record of impressive investment returns
- Access to financial planning at no additional cost
- Flexibility in your investment strategy
- A great range of insurance options
- Savings through our Fair Go Member Benefits loyalty program
- Pre-retirement seminars (for members aged 50 or over)
- Retirement workshops (for members two years away from retirement)
- Wealth creations seminars (to help you build your wealth at any age)
- A competitive home loan service

- Extensive work site visits
- Call Centre support to answer your questions
- Access to Client Services staff and financial planners at our Sydney office and regional network including in Lismore, Newcastle, Orange, Wagga Wagga, Wollongong, Albury\* and Goulburn\*
- A comprehensive range of tools and calculators on the internet to help you determine your ideal investment strategy, work out a budget, calculate insurance premiums and estimate your superannuation benefit and allocated pension options at retirement
- Member communications to keep you up-to-date, including newsletters, statements and Annual Reports

For more information on these services and to check whether you are making the most of all the services available to you, call a Member Services Officer on 1800 067 059.

## Office Locations

### Lismore

81-83 Molesworth Street

T: 02 6627 5800

F: 02 6621 3368

### Newcastle

235 Darby Street, Cooks Hill

T: (02) 4929 8200

F: (02) 4929 8210

### Orange

187 Summer Street

T: 02 6360 1622

F: 02 6360 1522

### Sydney

28 Margaret Street

T: 02 8234 6000

F: 02 9279 4131

### Wagga Wagga

2/209 Baylis Street

T: 02 6926 8000

F: 02 6926 8010

### Wollongong

Shop 2 & 3/60

Burelli Street

T: 02 4224 8000

F: 02 4224 8010

### Albury\*

429 Swift Street

### Goulburn\*

148 Auburn Street

\* Note: Albury and Goulburn offices are staffed one day per month - bookings are essential on 1800 067 059.

## Unit prices added to statements

Your annual statement for the 2004/05 financial year will look slightly different. This is because it will include a new addition: an update of the number and value of units you hold in this Fund.

We have made this change to enhance our reporting to you and to follow what is generally acknowledged as best practice in the superannuation industry.

Nonetheless, you will still be able to view all other important information, such as your account balance, fees and contributions, in the same way as you have in the past.

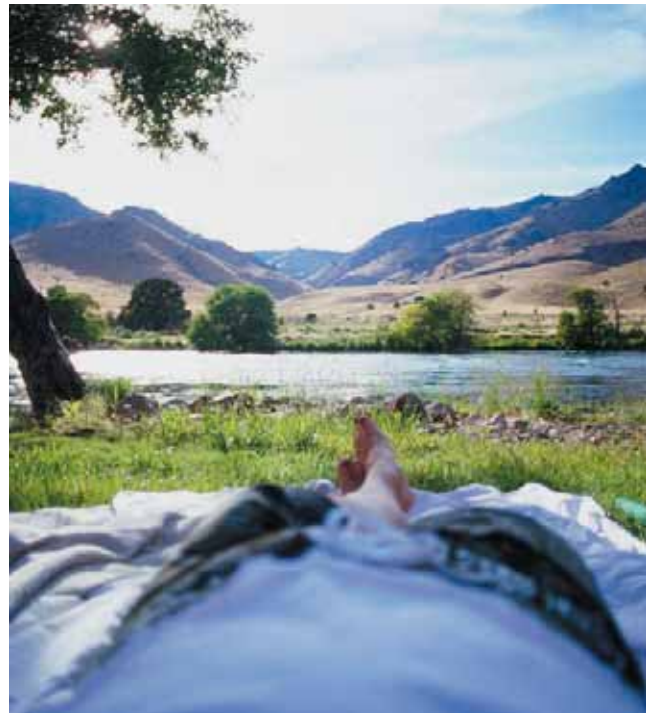
**What are units?** Units are the fixed measurement of your entitlements which help us to administer your account and to keep track of them. When contributions are made to your account, for example by your employer, you acquire units. The number of units you acquire depends on how much money is

paid into your account and the unit price of your chosen strategy at the time the money is received.

Unit prices vary according to what investment strategy you have chosen. They are established by calculating the net value of assets in an investment strategy and then dividing that figure by the total number of units held by members in that strategy. So, when assets increase in value, so do unit prices.

We believe that using units is a beneficial change because they are more efficient from an administration point of view. It's easier and quicker to deal with units than it is to deal with dollars and cents when doing tasks like calculating returns and processing members' investment strategy switch elections.

If you require more information on units or unit pricing, please contact Member Services on 1800 067 059.



## Fair Go Spring Special

As Spring approaches Fair Go would like to offer you a special at the Novotel Northbeach at Wollongong.

The Novotel Northbeach is offering an exclusive rate for Fair Go members.

- Overnight accommodation in a standard room at \$185\* per room per night including GST. Normally the room rate is \$250 per night.
- Complimentary bottle of red wine and cheese platter on arrival.

Members must quote "Fair Go Spring Special" when making the booking and bookings must be made direct through hotel reservations on (02) 4224 3111.

\* Conditions apply. The offer is valid until the 30 September 2005 exclusive to Fair Go members only. Subject to availability. Not valid with any other offer. Rate is room only and is based on a standard room.

### Attention sun lovers!!!

As a Fair Go member, you could save up to 65% on your next holiday at one of over 38 BreakFree resorts located in Australia's favourite holiday destinations.

For more information, visit [www.resortclub.breakfree.com.au](http://www.resortclub.breakfree.com.au) or call 1800 465 326 and quote "MEMBERBenefits". Packages change each month so look regularly to find the deal that suits you.

Don't forget to take advantage of all the savings available to you through the "Fair Go" program. These range from discounts on absolutely essential items like health cover, to savings on important but easily overlooked things like holidays and days out with the family.

**For all queries about the Fair Go program, simply call Member Services on 1800 067 059. It's time you had a Fair Go!**

## Returns for the last 5 financial years

LifeCycle Objective Management Program	2001	2002	2003	2004	2005
Over 25 years to retirement	1.8%	-10.4%	-4.8%	17.4%	14.1%
25-14 years to retirement	2.9%	-6.9%	-1.9%	14.0%	12.3%
13-5 years to retirement	3.9%	-3.3%	1.1%	10.5%	10.4%
4-2 years to retirement	4.9%	0.2%	4.1%	7.0%	8.6%
1-0 years to retirement	4.3%	4.5%	4.1%	4.8%	3.5%
Managed Portfolio Program	2001	2002	2003	2004	2005
High Growth	1.8%	-10.4%	-4.8%	17.4%	14.1%
Diversified	2.9%	-6.9%	-1.9%	14.0%	12.3%
Balanced	3.9%	-3.3%	1.1%	10.5%	10.4%
Capital Guarded	4.9%	0.2%	4.1%	7.0%	8.6%
Cash	4.3%	4.5%	4.1%	4.8%	3.5%
Member Choice Program	2001	2002	2003	2004	2005
Australian Equities	7.0%	-7.1%	-4.1%	20.5%	22.1%
Australian Fixed Income	5.7%	3.7%	6.9%	1.6%	4.9%
Cash Management	4.3%	4.5%	4.1%	4.8%	3.5%
International Equities	-8.7%	-22.0%	-11.6%	17.8%	4.8%
International Fixed Income	6.1%	5.7%	9.6%	3.2%	8.6%
Listed Property	13.2%	11.5%	9.4%	14.3%	13.0%

# Where there's a Will, there's a way

What would have happened if you had passed away yesterday? Would your hard-earned assets be distributed in the way you want, to the people you want?

A Will is a legally recognised document that sets out how you would like your assets to be distributed after your death.

If you die without leaving a valid Will, you die *intestate*, a situation which can have drastic emotional and financial impact on your family. It means that someone, usually one of your relatives, has to apply for Letters of Administration from the court to deal with your estate. "The administrator then has to distribute the estate in accordance with the statutory rules of intestacy, which may be of variance to your wishes," warns Anuj Shangle, one of our team of Financial Planners available to help you.

"A Will also allows you to specify who becomes the guardian of your children should you die before they are 18 years old."

## Consider the following situation:

Mary (aged 35) and Joe (aged 40) are married and have a son (aged 6). Mary has a brother and her mother is still alive. Both of Joe's parents are still alive. Joe has another child (aged 10) from a previous marriage. He has already established a trust fund to pay for his maintenance and support. Mary and Joe do not have a Will.

Mary and Joe have discussed what would happen if they died. They both strongly agree that Joe's parents should not be responsible for raising their son if they die before he turns 18 years of age.

Now, let's consider a number of situations where Joe, Mary and their son are involved in a car accident and do not have a Will.

### Scenario 1: There are no survivors.

As Mary is younger than Joe, he is deemed to have died first so all of his property goes to Mary. Likewise, all of Mary's property then goes to their son. However, as their son has also passed away, the property is then split between the grandparents. Mary's mum and Joe's parents will share it in equal

halves. This is probably a reasonable result and the kind of result that Mary and Joe might want.

### Scenario 2: Joe is the only survivor but passes away the next day.

Joe would inherit everything. After his death, all of Joe's property will go to his child from the first marriage, who has already been generously provided for. No one else gets anything.

### Scenario 3: Mary is the only survivor, but passes away the next day.

Mary would inherit the family property for a brief time. When Mary dies, all of the property goes to her mum even though Mary's brother is also entitled to apply for a grant to administer her estate.

### Scenario 4: The son is the only survivor.

He inherits all of the family property but Family and Children's Services determine that the most appropriate guardians for the child are Joe's parents. This is exactly what Mary and Joe didn't want.

Indeed, all of this could have been avoided if Mary and Joe had taken the time to draw up their Will.

## Estate planning help is available

If your situation is simple (one of our Financial Planners can help you establish

that if you are not sure) and just warrants doing a simple Will, you can use the Fair Go Will Service, brought to you through the Fair Go Program. It provides you with two options for creating your Will online.

The first option, called the Do-It-Yourself Will, is a lawyer-approved tool written in plain English with step-by-step directions. The end result is that you get a document ready for signing and witnessing. You can also update and reprint your Will whenever you like.

For those requiring greater peace of mind, Fair Go also offers another option, the Solicitor Will. At the end of this process, your document is submitted electronically to a solicitor for legal checking and approval and the solicitor will contact you within two working days if any issues need to be addressed.

To access our Wills Online service, visit [www.futureplussuper.com.au](http://www.futureplussuper.com.au) then click on the 'Fair Go' menu and then select the 'Fair Go Will Service'. If you require further information or have more complicated estate planning needs, please contact Chifley Financial Services on 1800 800 002.

One of our Financial Planners can work with you to develop an estate plan outlining the best possible approach to leaving your estate in the way you want, to the people you want.

We can also put you in touch with solicitors who can help you with the drafting of your Will and other associated legal documents (such as Enduring Power of Attorney or Guardianships) at a reasonable cost.



## The insurance way to peace of mind



What would happen if you passed away suddenly or were badly injured? Would your family, already placed under emotional distress, also face financial problems having lost you as their sole bread winner? As a member of this Fund, you may already enjoy some insurance cover. But would it be enough if the unexpected happened? Would your spouse be able to support your family? What changes would your family have to make to cope financially?

As unpleasant as these questions are, they are important questions and by asking them now, you could prevent you and your family from suffering unnecessary hardship in the future.

Insurance is considered a vital part of any wealth creation plan. And as Andrew Wells, a senior Financial Planner at Chifley Financial Services, asks: "What is the point of working to secure your financial future without having measures in place to protect it? Insurance is about investing in peace of mind and it helps you protect your financial security and that of your family in the event of sickness, injury, disablement or death."

Here's a description of the types of insurance offered by this Fund and how they can assist in safeguarding your family and your assets:

### Life and Total and Permanent Disability (TPD) insurance

Both Life and TPD insurance pay a lump sum if you die or become totally and permanently disabled. You determine the amount of cover you want - for example, enough to discharge any outstanding debts you have or enough to provide a reasonable lump sum which can be invested to help meet any ongoing regular income needs of your survivors.

### Income Protection

Income Protection insurance helps replace your regular salary or earnings if you are unable to work for a period of time due to illness or accident, by providing a regular income stream for a set period of time.

You select the:

- Percentage of current gross salary or earnings that you wish to insure, up to a maximum of 75% (plus the 9% Superannuation Guarantee).
- Waiting period (either 30, 60 or 90 days) that applies before the insurer starts paying you an income stream.
- Length of time that the benefit is paid - for example two years or to 65 years old.

The premium you pay will be affected by these variables. The way you pay for the Income Protection can determine whether or not you can claim a tax deduction. Generally, any benefits received form part of your assessable income.

### Superannuation and insurance\*

One way to obtain Life, TPD or Income Protection insurance is through your superannuation scheme. The benefit of doing this is that the premiums are paid from your employer's superannuation contributions, meaning that you don't pay for the cost of the insurance from your taxed earnings. If you don't want your superannuation savings to be reduced by insurance premiums, you could consider making additional contributions towards your superannuation to pay for insurance. Depending on your situation, one tax-effective way of doing this could be to pay for your premiums using pre-tax dollars via salary sacrifice contributions. You also get to take advantage of the wholesale insurance rates your Fund has negotiated as these may be often lower than if you tried to obtain cover as an individual.

### Review your insurance needs regularly

Taking insurance isn't a once off event. As you move along the path to retirement, part of your planning process should include regular reviews of your insurance needs to ensure that you aren't over or under insured as your needs and circumstances change.

For more information on insurance, please contact Member Services on 1800 067 059.

\* You should talk to a Financial Planner before making any financial decisions in relation to this. Your Fund has a team of financial planners that can offer you assistance.

## Seminars

Would you like to have a better understanding of how to manage your money, increase your savings, improve your investment portfolio or ensure you have enough to retire on?

As a valued member of this Fund you can attend a FREE pre-retirement or wealth creation seminar.

To book your place on one of the dates below, please contact Member Services on 1800 067 059.

### Pre-Retirement Seminar timetable

1 September	Liverpool
7 September	City
13 September	Hay
14 September	Leeton
27 September	Gosford
11 October	Mudgee
11 October	Newcastle
12 October	Blue Mountains
12 October	Corowa
13 October	Wagga Wagga
15 October	Campbelltown
26 October	Kogarah
27 October	Moss Vale
16 November	Penrith
30 November	Dee Why
3 December	City

### Wealth Creation Seminar timetable

1 September	Muswellbrook
7 September	Liverpool
12 October	Wagga Wagga
19 October	Kogarah
9 November	Sydney Metro
23 November	Penrith
6 December	Dee Why

# How have investment markets performed?

By Max McKeough, Financial Markets Analyst, Deutsche Asset Management, June 2005

## Australian shares

The Australian share market produced yet another outstanding performance outcome in the year to 30 June 2005. The market sustained its lengthy record-breaking run from last year into 2005, before weakening in April, along with other global share markets on concerns about slowing US economic growth.

However, these concerns proved premature and the market recovered ground in May and gained 4.7% in the final quarter of the financial year.

Measured by the S&P/ASX 200 Accumulation Index, the market rose by just over 26% in the 12 month period, exceeding the excellent result in the previous financial year. The rise was broadly based but underpinned by strong Chinese demand for resources and booming world commodity prices.

## International shares

International share markets generally performed well for much of the last 12 months but experienced a volatile



June quarter when concerns about US and global growth and rising world oil prices dented investor confidence.

Measured by the Morgan Stanley Capital International (MSCI) World Index, excluding Australia, the major global markets as a group returned less than 1%, well below the strong result of the previous year, expressed in Australian dollar terms.

## Property

In a year dominated by merger and acquisition activity and expansion of its international operations, the listed property sector again produced an excellent annual return, despite a fall in the March quarter, to sustain its long run of consistent solid gains for investors. Measured by the benchmark S&P/ASX 200 Property Accumulation Index, the sector returned 18.4%, exceeded only by the broader Australian equity market return.

An extended period of strong domestic economic growth supported direct property returns in the 2004/05 financial year, with retail and industrial property showing the biggest gains. The residential property market slowed.

## Fixed interest securities

Fixed interest markets produced improved but mixed results in the 12 months to June. The market was dominated at various times by concerns about the strength of domestic and global growth, potential inflationary pressures and rising interest rates. Although official cash rates were raised once by the Reserve Bank (in early March) in Australia and on several occasions in the US by the Federal Reserve, longer-term bond yields fell in the final six months of the year (bond prices rose) in both markets thus boosting returns. Measured by the UBS Warburg Composite Bond Index, the Australian market returned 7.8% compared with the 5.6% return on cash investments, measured by the UBS Warburg Bank Bill Index. The Australian market again underperformed the 11.6% return to major global fixed interest markets measured by the Lehman Brothers Global Aggregate Index.

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