

MaritimeFocus

THE NEWSLETTER FOR MARITIME SUPER MEMBERS



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Cover image:

Dredging the Yarra off South Wharf
Contributed by Gary Lesmond

Market review

Mixed news for the markets

The June quarter saw significant short-term market disruption caused by the 'Greek crisis'. This was the time when the investment markets focused on the stresses in the Greek economy and the potential issues in other European countries.

Most sharemarkets and debt markets were affected and, as a result, returns in most diversified investment products had a difficult June quarter. However, the good news was that the 12-month returns to 30 June in Maritime Super remained very sound, with the Fund's Growth and Balanced Options both returning around 10% for the year. Both options benefited from exposure to a diversified range of assets, including 'alternative' investments (such as private equity and specialist credit portfolios).

Australian shares

The Australian equities market dropped in the June quarter by 11.2%. Investment managers in general are cautious as the stimulus package fades and interest rates start to bite. Offsetting this is a continued improvement in employment which provides some long-term support to growth. Sentiment turned negative at times, when concerns over the massive government debts globally (particularly in Europe) outweighed the solid domestic economic conditions.

Overseas shares

The strong rally in global equities since March 2009 experienced a sharp reversal in the past three months. Though the period commenced in strong fashion (with significant gains in the first part of April), sovereign debt risks in Europe dominated the news and sent markets downwards later that month. Corporations around the world are generally in good shape in aggregate; having cut costs, hoarded cash and shored up credit lines, and valuations are more attractive post the sell-off. But some questions remain over company earnings and borrowings, increased regulatory interference, and reduced Government spending.

Property

In property, sentiment is positive, recognising that valuations have largely bottomed, fundamentals are sound with a good outlook for tenant demand and income growth prospects. Expectations are that earnings will stabilise in the coming year (or at least not be negative), but there is likely to be little in the way of capital appreciation.

Fixed interest

In the fixed income markets, the long-term issues continue to be lower growth expected out of the developed economies, while inflation seems to be creeping higher in developing countries. Sovereign risks have increased with the fear of the European debt crisis spreading across the EU. The United States and United Kingdom have similar issues, with high debt levels and Government deficits. In the near term, the concern around high debt levels and deficits in western economies remain a key risk for investors.

Currency

The world currency markets have been through a period of high volatility. The European debt crisis has seen the Euro fall sharply against most currencies. The latter part of the June quarter saw an announcement by the Chinese authorities that they would consider some revaluation of the Renminbi. The currency turmoil affected the 'risk' currencies such as the Australian dollar, which fell quite sharply during the quarter from the highs of USD94c to as low as USD80c before staging a partial recovery.

Future outlook

Since 30 June 2010, sharemarkets have continued to be variable. There is still some market concern about some European countries and more generally about the strength of economic recovery in the developed countries including the United States.

Changes to the targets and ranges of some asset classes

During 2010, the Trustee Board approved the consolidation of similar asset classes in the investment strategies for Maritime Super's investment options, primarily for reporting and monitoring purposes.

The 'Absolute Return Funds' (ARFs) and 'Alternatives' asset classes have merged and now use the existing 'Alternatives' names. Growth ARFs are consolidated with Growth Alternatives and Defensive ARFs are consolidated with Defensive Alternatives within the investment strategies. The Direct Property and Listed Property asset classes have also been combined into a single 'Property' asset class. The changes combine the relevant asset class targets and ranges.

From 26 August 2010, the Trustee has also approved minor changes to the targets and ranges of some asset classes. Please note that the overall asset mix of Maritime Super's investment options has altered only marginally, so there is no material impact on members' investment choices.

Effective 26 August 2010, the asset classes and their targets and ranges are as follows (changes are highlighted in bold):

Long-term performance

Our focus is on long-term investment performance to benefit members' retirement incomes. To achieve this, it is important to stay invested in markets to capture the full benefits of market cycles and to avoid costly timing decisions.

Strong returns over the past year are starting to average out the impact of the global financial crisis. The annual returns up to 30 June 2010 for the last six years are listed below:

INVESTMENT PERFORMANCE - to 30 June 2010

Investment Option	FY09/10	FY08/09	FY07/08	FY06/07	FY05/06	FY04/05
Growth	9.63%	-19.78%	-9.95%	19.15%	18.32%	14.50%
Balanced	11.93%	-16.10%	-5.31%	15.59%	12.71%	11.45%
Conservative	9.52%	-6.60%	-0.04%	8.98%	8.49%	9.50%
Cash Enhanced	4.47%	2.47%	5.60%	5.82%	5.21%	4.69%
Cash	2.82%	N/A	N/A	N/A	N/A	N/A

Please note that these returns are net of fees and taxes and apply to accumulation accounts.

Different net rates of return apply to pension products and certain employer-sponsored categories where the employer may meet the administration costs - refer to the website or contact Member Services for more information.

Please note that past performance is not a reliable indicator of future performance.

The historic returns prior to 1 March 2009 for the following investment options are based on the returns of the most closely corresponding SERF or SRF investment option for the period:

Growth – SERF Growth

Balanced – SRF Balanced

Conservative – SERF Capital Stable

Cash Enhanced – SERF Capital Protected

Cash – offered to members from 1 January 2009

Each Maritime Super option has the same overall split between growth and defensive assets as its corresponding SERF or SRF option, and its asset mix is also closely aligned with the asset mix of the corresponding option.



Visit our website at
www.maritimesuper.com.au
 to learn all about our investments
 and investment performance

	CASH		CASH ENHANCED		CONSERVATIVE		BALANCED		GROWTH	
	Range %	Target %	Range %	Target %	Range % ¹	Target %	Range % ¹	Target %	Range % ¹	Target %
Growth assets										
Australian Shares	0	0	0	0	0-20	10	10-40	24	20-50	33
Overseas Shares	0	0	0	0	0-20	10	10-40	24	20-50	32
Property ²	0	0	0	0	0-15	7	0-30	10	0-30	14
Private equity	0	0	0	0	0-10	2	0-30	7	0-30	10
Growth alternatives ³	0	0	0	0	0-10	1	0-15	5	0-10	1
Total Growth assets	0	0	0	0	25-35	30	65-75	70	85-95	90
Defensive assets										
Defensive alternatives ³	0	0	0	0	0-20	10	0-25	12	0-10	2
Fixed interest	0	0	0	0	10-50	20	0-20	10	0-15	5
Cash enhanced	0	0	100	100	Balance	40	Balance	8	Balance	3
Cash	100	100	0	0	0-10	0	0-10	0	0-10	0
Total Defensive assets	100	100	100	100	65-75	70	25-35	30	5-15	10

¹ Please note that the Trustee maintains illiquid asset ranges, however, these are now outside the investment strategies for the investment options and therefore have been removed from the above table.

² This asset class now includes both listed property and direct property.

³ These asset classes now include absolute return funds.

Maritime Super goes public offer

Join the family

Do you have any family or friends who have wanted to join Maritime Super but couldn't? Now they can.

Your family and friends can now be nominated for Maritime Super membership.

This means that your family and friends can now take advantage of all of the benefits of Maritime Super membership, such as:

- low fees
- all profits returned to members
- flexible investment options with solid long-term investment returns; and
- access to a wide range of products and services.

Contact Member Services on 1800 757 607 if you'd like your family and friends to join the Maritime Super family.

Maritime Super was established as an industry super fund for workers in the seafaring and stevedoring industries. On 11 August 2010, Maritime Super was granted a public offer licence.

Now it is even easier for your family and friends to become Maritime Super members because they don't have to be working in the maritime industry to be eligible for membership. Instead, they can be nominated for membership by a current member of the Fund.

Why has Maritime Super applied for a public offer licence?

At Maritime Super, we pride ourselves on our ability to listen to members; many of whom have said that they have wanted their family and friends to join the Fund. Our decision to apply for a public offer licence means that your family and friends can now be nominated for membership.

'Opening the Fund to family and friends is a key component of our long-term strategy', says Maritime Super's CEO Peter Robertson, 'however, it's crucial that, in going public offer, we don't lose sight of who we are – by keeping membership 'in the family' (so to speak), we maintain the values and the sense of ownership that is so unique to our Fund'.

Additionally, increasing the Maritime Super membership base means that we can create opportunities for even greater economies of scale, so that we can continue to provide genuine cost savings and efficiencies to members.

What does 'public offer' mean?

Until now, members had to be employed in the maritime industry to be eligible for membership. Going 'public offer' means that new members don't have to be working in the maritime industry to be eligible to join the Fund. Instead, a current member of the Fund can now nominate family and friends for membership.

Additionally, former members can rejoin the Fund, and self employed persons are also now eligible for membership.

What does this mean for current Maritime Super members?

Opening the Fund to new members under our public offer licence will not affect current members' benefits.

When can current members nominate family and friends for membership?

Going public offer will involve some operational system and process changes.

It will take a few weeks to be fully up and running, but as soon as we're ready, we will let you know when family and friends of existing members of Maritime Super can be nominated for membership.

To learn more, visit the website or contact Member Services.

... best of all, your family and friends can take advantage of the benefits associated with Maritime Super membership ...



Maritime Super and AUSCOAL Super in merger talks

Paddy Crumlin, Chairman of Maritime Super, and Arthur Weston, Chairman of AUSCOAL Super, have confirmed that their respective boards have signed a Memorandum of Understanding to assess the feasibility of a merger between the two super funds.

'We believe there is a natural fit for the two funds coming together which we are keen to explore,' said Paddy. 'There are longstanding synergies between the maritime and mining industries, and a close relationship between our workers and unions.'

'In addition, Maritime Super and AUSCOAL Super Boards share a common vision of delivering the best retirement outcomes for our members,' he said.

Both funds are currently working through a due diligence process that will determine whether a merger would be in the best interest of our members. The process will ensure that we fully understand the advantages and disadvantages that a merger would deliver to our members, our employers and our respective staff.

The funds have not yet identified a target merger date, and we will continue to keep members informed of developments.

For further information, contact Member Services or visit the website at www.maritimesuper.com.au



Member Photo Gallery – submit your entries now for the 2011 Calendar

We're in the process of compiling a shortlist of member photos for inclusion in our 2011 Annual Calendar, and would love to include your maritime-themed photo in the calendar.

Simply email your photo to us at info@maritimesuper.com.au by 1 October 2010. The twelve best photos will be published in the calendar, plus you will be in the running for the 'Photo of the Year', so get snapping!!



BPAY® - making life easier for members

Maritime Super is committed to making life as simple as possible for our members - that's why we now offer BPAY as an option for making contributions.

BPAY lets you streamline your super by paying contributions with the click of a mouse. Simple.

Getting started

If you'd like to make contributions by BPAY, contact Member Services on 1800 757 607. We'll set you up with your unique Customer Reference Number (CRN) and provide you with all of the information you'll need to start making payments by BPAY.

Making contributions couldn't be easier; simply log in to your internet banking site or call your banking service and quote the BPAY Biller Code and your unique CRN.

To register for your BPAY Customer Reference Number, contact Member Services on 1800 757 607.

Noticeboard

National seminars coming to a location near you

Maritime Super (in conjunction with financial planners Matthew Geraghty and Chris Kotsiofis) will be holding superannuation seminars at a location near you:

Brisbane	Monday, 27 September 2010
Mackay	Tuesday, 28 September 2010
Townsville	Wednesday, 29 September 2010
Darwin	Thursday, 30 September 2010
Newcastle	Wednesday, 6 October 2010
Adelaide	Wednesday, 6 October 2010
Fremantle	Thursday, 7 October 2010
Wollongong	Thursday, 7 October 2010
Melbourne	Friday, 8 October 2010
Devonport	Monday, 11 October 2010
Hobart	Tuesday, 12 October 2010
Sydney	Friday, 15 October 2010

Keep an eye out for your personal invitation in the mail or check the website for seminar locations and details. If you would like to make an appointment with Matthew or Chris, contact Member Services on 1800 757 607.

Reminder - new banking details for Stevedores division

The bank account details for the Stevedores division have changed - please ensure that all future contributions are paid into the new account:

Name of Institution	National Australia Bank
Account Name	Maritime Super
BSB	083-001
Account Number	17-072-2401



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This newsletter contains general information only and does not take into account your individual objectives or financial situation or needs. Consequently, you should consider the appropriateness of any general information in relation to your situation before making an investment decision. MFS recommend you seek individual advice before making any decisions concerning your superannuation.

The Fund's Member Guides and MFS' Financial Services Guide are available by calling Member Services on 1800 757 607. You should consider the Member Guide in deciding whether to acquire or to continue to hold a product. Past performance is not necessarily an indication of future performance.

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