

SUPER

BUZZ

Keep up to date
with the latest buzz
on your superannuation

September 2013

AMIST Super Hotline **1800 808 614**

Solid. Strong. Yours.

REAL LIFE

A 1 in 200,000 chance puts Jordan in hospital.

20 year-old Jordan Nia Nia is a hide plant foreman at JBS Australia, Dinmore. A couple of days before a planned two-week break in New Zealand, Jordan started to feel as though he was coming down with a cold. He was sneezing and had a sore throat, but wasn't going to let that get in the way of his holiday.



Jordan Nia Nia

While away, his symptoms grew worse. His joints became sore and felt swollen, although there was no outward appearance of a problem. He started to find it very difficult to walk and estimated he was only able to move at around 30% of normal pace, even after warming up. Getting going in the mornings was very difficult and after hobbling along for a while began to move a little more freely, but still with a lot of discomfort.

The day after returning to Australia, Jordan went to the doctor who was unable to make a conclusive diagnosis. Jordan was sent straight to hospital, where he underwent extensive testing, including blood work and an ECG. He was subsequently diagnosed with Rheumatic Fever and Rheumatic Heart Disease. According to specialist doctors at the hospital, the odds of contracting these conditions were around 1 in 200,000!

Jordan spent approximately four weeks in hospital and gradually, his health started to improve. After leaving hospital, Jordan needed ongoing penicillin injections every two weeks.

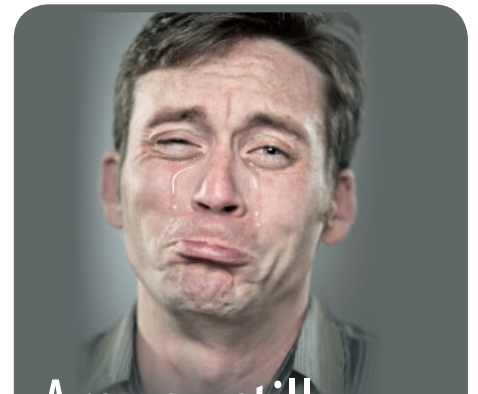
Jordan returned to work about six weeks after leaving hospital, but the need for regular injections became a problem. His doctor was able to prescribe penicillin in a tablet form but he will need to take these tablets for another ten years!

Jordan now says he is back to feeling 100%, despite having to take medication daily. "I was relatively lucky to contract this at a young age as I will fully recover," he says. "Older people who get this disease are unlikely to recover; at least not fully."

Jordan was aware he had Income Protection as part of his AMIST Super membership and applied for the benefit immediately after being discharged. In reality, he could have applied as soon as he was aware his illness would keep him off work for some months. Jordan says he found the application process fairly easy, but regrets only having the basic level of cover. "It was a bit of a struggle to make ends meet financially," he says, "but had it not been for the cover, things would have been far worse!"

Have you checked your level of Income Protection insurance cover lately?

If you earn more than \$32,000 per year and you haven't taken out more than the default level of insurance, chances are you're under-covered. Check your statement or call us on 1800 808 614 to find out how to increase your income protection.



Are you still paying triple tax on your super? Stop it now!

If we don't have your tax file number (TFN):

- You'll be paying the top rate of tax on all super contributions (rather than the normal 15%)
- You won't be able to make any extra contributions to your super,
- You won't be eligible to receive additional contributions through the Government Co-contribution scheme.

Plus, we're planning to run lost super searches and if we don't have your TFN, we won't be able to find any lost super you may have.

So go on! Call the **AMIST Super Hotline** or visit the website to give us your TFN and stop wasting your money today!

Higher growth investment option: Could it be for you?

One of the benefits of starting your super savings early in life is that you have time on your side.

For example, you have the time to leave your money in your super to grow through compound earnings. Compound earnings are earnings paid on earnings. In other words, earnings are applied not just on the sums of money you actually deposit but, as time goes on, also on the earnings previously received for those deposits. And the longer you invest, the greater the impact of compound earnings, so it really pays to get started as soon as you can.

Another opportunity you have as a younger person is to be more adventurous with where your super is invested. You have the chance to put some of your money into investment options that can potentially offer much higher returns. Let's take a look at how this might work in practice.

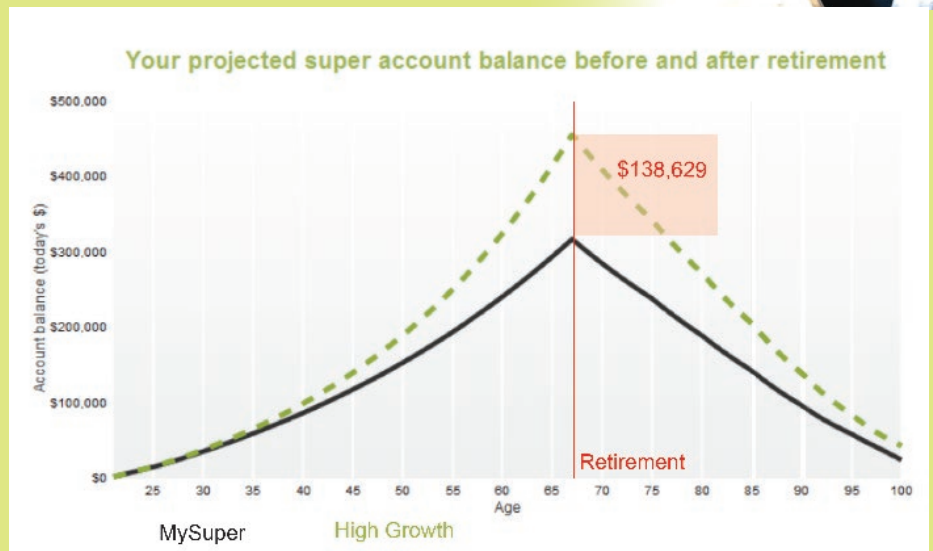
John is 21 years old and plans to work until he reaches age 67 when he is eligible for the age pension. John realises that he has a long investment time frame and is looking to maximise his superannuation balance by making sure his super is invested for the long-term.

John currently earns \$35,000 per annum (CPI indexed) and receives 9.25% SG payments from his employer which are set to increase over time. John has a starting superannuation balance of approximately \$2,000 that is currently in the default investment (MySuper) option.

If John continues investing in the default investment option, his super balance at age 67 will be \$317,730.

John was not sure which option was best for him so he sought advice from a financial

adviser. With the help of the adviser, John completed a risk profile and received a recommendation to move into the High Growth option*. This simple change now means that his super balance at age 67 will be \$456,359. This gives him an extra \$138,629 just by increasing his exposure to growth assets (such as shares). Although this means John's super may go up and down in value more often, his long-term investment timeframe will give John plenty of time to recover from any short-term movements in the market.



The graph above shows the difference that a change in investment options can make.

It is important to note that males in John's age group are expected to live to 85 years of age with at least half of them living to 90 and beyond. These life expectancies are even more for females, so making sure your super can go the distance is really important.

* Assumptions: All projections are based in today's dollars. MySuper investment option estimated return of 6.30% pa. High Growth investment option estimated return of 7.65% pa. John qualified for the full age pension at retirement. John's Super Guarantee contributions will be made with the legislated increases, the first of which to 9.25% came into effect on 1 July 2013.

The content of this article was provided by Money Solutions Pty Limited (AFSL 258145). Money Solutions has been contracted by the Trustee to provide members with personal financial advice. Members can access this service by calling the AMIST Super Hotline on 1800 808 614. Any financial product advice given by Money Solutions is provided under their own AFSL.



AMIST Super launches new-look website

If you go to www.amist.com.au, you'll find that AMIST Super has completely redesigned its website.

Packed with loads of useful information about how your super works, the AMIST Super website is now much easier to navigate.

AMIST Super Marketing & Communications Manager, Leonie Curtis, says the objective was to make the information more accessible. "Now when you land on the home page, you simply select the section that best describes what you want to

do," she says. "There's a section for members, for employers, for the self-employed, for people about to retire, and a section for temporary residents."

More information will be added over time as well as more content translated into other languages. And if you're one of the many AMIST Super members who manage your account online, you'll have noticed that the whole experience is faster, easier and simpler to use too.

So have a look around the new-look AMIST Super website. Feel free to give us any feedback.

Client Services

Meet our team of service professionals.

Remember our Client Services Managers are here to help you get the most from your super. Feel free to contact them.



Royston Bennett on 0437 697 737 or roystonb@amist.com.au
Client Services Manager for Vic, SA and Tas.



David Ashton on 0434 043 785 or davidas@amist.com.au
Client Services Manager for QLD and NT.



Steve Fleming on 0419 160 293 or stevef@amist.com.au
Client Services Manager for NSW and WA.

Melinda Gibson, manager of the Client Services team, is currently on maternity leave.

Now AMIST Super has improved insurance benefits for all members.

In response to new Government legislation that requires all super funds to offer Total & Permanent Disablement (TPD) insurance to members, AMIST Super undertook a review of its entire insurance offering in May this year. The objective was to ensure that members were receiving the best possible benefits at the lowest cost.

According to CEO, James Thomas, the review has resulted in several key improvements to member insurance.

"Our review has meant we've been able to reduce the cost of both our Life Insurance and Income Protection cover," James says, "while at the same time, we've introduced TPD cover."

TPD is designed to provide a lump sum benefit to a member who has been medically diagnosed as suffering from a condition that results in them being unable to ever work again in any occupation. TPD Insurance is generally used to cover debts and the ongoing living expenses of an individual to reduce the ongoing financial burden of loss of income.

Under the new arrangements, the cost of the default level of Life insurance (2 units) has reduced from \$3.00 per week to \$2.70. Default Income Protection cover (4 units) has

also reduced from \$3.00 per week to \$2.40 for Manual Workers and from \$2.12 to \$1.72 per week for Office Workers. The cost of the default level of TPD (1 unit) is \$1.40 per week.

"This means, for example, that a Manual Worker with default cover in each type of insurance will only pay \$6.50 per week," James said. "That means in real terms, for only 50 cents more than what members used to pay for default Life and Income Protection Insurance cover, they are now receiving that cover plus TPD cover."

These changes to the insurance offer were introduced on 15 June 2013 and a booklet containing full details was mailed to all members. This information is also available in the Member Guide on our website, www.amist.com.au.

Market update

AMIST Super's Chief Investment Officer, Megan Pham, explains the improvement in market confidence in the past year.

The 2012-2013 financial year has been a strong period for investors with economic growth and improved market sentiment across the board. Confidence has been maintained with many Governments around the world continuing to provide monetary stimulus to aid in economic recovery.

In Australia, the Reserve Bank cut interest rates to historical lows of 2.50% in August 2013. This rate is lower than the 3.0% reached during the Global Financial Crisis because of concerns that a gap could exist in growth of the Australian economy once mining investment peaks later in the year.



The Australian currency has strengthened against the US dollar over the last ten years due to strong commodity prices, the growth in China, the easing of US monetary policy and Australia's status as a "safe haven" post the GFC. But in recent months it has slipped due to an improvement in US market conditions. The dollar may continue to weaken further in the years ahead as the commodity price

boom fades. A weaker Australian dollar is not necessarily bad news, however, as it provides opportunity for many industry sectors including exporting and tourism.

It has been a successful year for AMIST Super investment options also, with our Balanced Option providing strong returns in most asset classes, in particular Australian and International shares.

Performance for this financial year

AMIST Super Investment options	As at 30 June 2013	
	1 year return	10 year net compound average return
Secure	3.78%	4.87%
Capital Stable	7.05%	NA*
Balanced	13.43%	7.72%
Growth	16.61%	7.14%
High Growth	21.74%	NA*

* The AMIST Super Capital Stable Option and the AMIST Super High Growth Option were introduced on 1 April 2010.



Winner wins \$200 super quiz prize



Josephine P. Griffiths from Biloela in Queensland is the winner of our Super Quiz from the last edition of our newsletter. Josephine was delighted to win the \$200. Congratulations, Josephine. Good job!

MySuper is up and running

All members will have received news in the mail during July that **AMIST MySuper is now our new default investment option.**

AMIST MySuper offers low fees, simple investment options and insurance cover. It's designed to give members the essentials, but not charge them for features they don't need.

If you haven't actively selected an investment option, your AMIST Super balance and on-going contributions will be invested in AMIST MySuper. It's invested in the same way as your previous default option (Balanced Option) and you don't have to do anything.

MySuper is part of the Government's "Stronger Super" package that is designed to help make our super system stronger and more efficient, while assisting members to maximise their retirement income.

For more information on MySuper, call the AMIST Super Hotline, or visit our website.

Take our quick quiz and you could win \$200!



How well do you know your super? You'll find the answers in this edition of *Super BUZZ*.

Entries close 29 November 2013. Just send your answers and details below to: **AMIST Super Quiz GPO Box 4293 Sydney NSW 2001 or Fax to: 02 9230 1111**

1. What is the name of the new default investment option?
2. What does Royston Bennett do?
3. What does "TFN" stand for?
4. What was the official cash rate in August 2013?
5. Who is AMIST Super's Chief Investment Officer?
6. What does "TTR" stand for?
7. What was Jordan Nia Nia's job at JBS Australia?
8. What type of insurance helped Jordan Nia Nia while he couldn't work?

Please be sure to write your name and contact details clearly.

Name: AMIST Super Member No:

Address:

State: Postcode: Phone:

Email:

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