

# Market update

Third Quarter (January – March) 2015

## Third quarter delivers first-class results

LUCRF Super enjoyed great returns over the last quarter, with all investment options delivering positive results. The MySuper Balanced option, in which most members invest, delivered a solid 5.73%.

### Australian shares up, unemployment down

The Australian Shares investment option ended the quarter with an impressive return of 9.51%. This was led by strong returns in banking shares.

However, some sectors in the Australian share market suffered from a drop in the iron ore price.

The unemployment rate in Australia fell to 6.3%. This was mostly driven by an increase in full-time jobs.

These results helped reinforce a solid quarter for the Australian economy.

### International shares perform well

The slight rebound in oil prices, along with the delay in US interest rate hikes, resulted in international shares performing strongly.

For members invested in the International Shares option, the falling Australian dollar meant even better returns.

### Economic issues in Greece

The ongoing economic issues in Greece continue to affect international markets. In January, the anti-austerity (against reduced spending and increased frugality) Syriza party was elected into power.

Some of the announcements made by the new government include stopping privatisation of assets as it negotiates with other European countries to restructure debt.

The issues in Greece are expected to continue for some time as the new party renegotiates its debt requirements, having recently secured a four-month extension.

### Interest rates cut worldwide

Since the start of 2015, more than 20 countries have cut interest rates.

Thailand's central bank was the latest to try and stimulate its country's economy by lowering the policy rate by 0.25% to 1.75%.

Closer to home, the Reserve Bank of Australia (RBA) lowered the official cash rate by 0.25% to 2.25% in February.

This sparked a rally (sharp price rise) on the Australian share market, which rebounded from the relatively flat start to the year.



## How your returns have fared this quarter

The table below shows how your investment has performed for the quarter and financial year to date (FYTD). If you would like to discuss market conditions or your own personal financial situation, please call one of our qualified financial advisers on **1300 130 780**.

Investment option	Super rates %		Pension rates %	
	01/01/2015 to 31/03/2015	FYTD 01/07/2014 to 31/03/2015	01/01/2015 to 31/03/2015	FYTD 01/07/2014 to 31/03/2015
MySuper Balanced*	5.73%	10.07%	6.53%	11.45%
Conservative	3.15%	6.04%	3.81%	7.13%
Moderate	4.15%	7.64%	4.98%	8.99%
Targeted Return	3.44%	6.51%	4.19%	7.68%
High Growth	7.02%	11.98%	8.25%	13.85%
Cash	0.59%	1.81%	0.65%	2.11%
Property	9.09%	19.15%	10.62%	22.72%
Indexed Shares	8.75%	16.41%	10.02%	18.80%
Australian Shares	9.51%	10.90%	11.22%	12.82%
International Shares	7.34%	17.18%	8.04%	18.81%

\*For LUCRF Pensions, this investment option is called Balanced. Note: The table details our final rates for 31 March 2015.

For the latest rates, please visit [lucrf.com.au](http://lucrf.com.au) or call **1300 130 780**.

Past performance is not a reliable indicator of future investment returns.

# You're in good hands

## Have you watched much television lately?

You may have seen the television commercials highlighting the benefits of belonging to an Industry SuperFund.

As an Industry SuperFund, LUCRF Super is run only to benefit members.

Retail super funds, on the other hand, are generally run by big banks and insurance companies. Their profits are returned to shareholders, not members.



Some staff who work for these businesses receive sales incentives (like bonuses and commissions) when they get their hands on your super.

At LUCRF Super, we truly have your best interests at heart. We have low fees and do not pay sales incentives to financial advisers or bank staff.

This can mean a bigger super balance and more money to enjoy in retirement.

You really are in good hands with LUCRF Super!

Contact us

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