

We've hit our target for you



We'd like you to experience the best possible retirement. That's why our investment objective for the Balanced option (our default option) is 'CPI plus 4%' over a rolling ten-year period.

We're glad to say that we've been able to meet this objective despite the Global Financial Crisis and a difficult economic environment.

What does 'CPI plus 4%' actually mean?

CPI is the government's measure for inflation, or how fast the price of basic living items – food, petrol, clothes – is going up.

If your super account balance was only increasing at the same rate as inflation, it would mean that it would just keep level with the cost of living and that's all.

Receiving an investment return more than the cost of living (CPI) will make life that little bit easier and means you'll have more money to enjoy in retirement. After all, you've worked long and hard for it!

2016 – set expectations to 'realistic'

How will the current record low interest rates affect you and your investment returns?

One of the roles that the Reserve Bank of Australia (RBA) has is to ensure that inflation levels remain steady. It achieves this by setting the cash rate.

When the economy needs to cool down, the RBA drives up the rate of interest, and this effectively decreases the rate of national spending. On the other hand, if the economy needs to speed up the RBA drives interest rates down. Historically, this has served to promote a sense of general prosperity and it's the strategy that the RBA has adopted across the past few years. Unfortunately, this activity is currently not producing the expected or desired results.

Some background

To power China's rapid rate of growth, Australia has been exporting substantial quantities of coal and steel. This meant that throughout the Global Financial Crisis, we were somewhat protected from the economic downturns experienced by America and Europe.

However, China's economy is now levelling out and our economy is beginning to feel the strain. This tightening effect will almost certainly be reflected in superannuation returns across the country.

Our long-term returns*

Option name	1 year	3 year	5 year
Balanced	9.64%	13.33%	10.58%
Conservative [^]	6.16%	7.94%	N/A
Moderate [^]	7.71%	10.26%	N/A
Targeted Return [#]	6.40%	N/A	N/A
High Growth [^]	11.62%	16.07%	N/A
Cash	2.69%	3.13%	3.92%
Property	19.94%	17.82%	13.53%
Indexed Shares	15.02%	20.84%	12.96%
Australian Shares	6.79%	15.97%	10.81%
International Shares	18.34%	23.89%	16.42%

*As at Aug. 2015 returns are net of fees and taxes. Past performance is not a reliable indicator of future investment returns. [#]Targeted Return was introduced on 1 Nov. 2012. [^]The Conservative, Moderate and High Growth options were introduced on 1 Sep. 2010.

That said, given that super is a slow burn, smaller super returns are no cause for alarm. Each year is unique which is why it takes a certain amount of time to build a solid super nest egg. It's wise to remain calm and keep your investments stable, regardless of the economic climate.

At LUCRF Super, our aim is to keep growing your super over the long term and provide you with the comfortable retirement you deserve.

How to make a binding nomination

I'd like my grandson to receive my super when I die. How do I go about doing this?

If your grandson is living with you and you're providing financial support, then you can make a binding nomination in his name.

If that's not the case, then you'll need to include your grandson in your Will and then make a binding nomination out to your legal personal representative (your Will's executor). A binding nomination removes any discretion that the LUCRF Super Trustee might have in deciding who gets your super. It must be renewed every three years to remain valid.

To give your super directly to someone, they need to be a dependent or your legal personal representative. Dependents include your spouse, your child, or anyone who was in a close personal relationship with you at the time of your death and receiving your financial and domestic support along with personal care.

Some common mistakes we see are binding nominations being made to parents, brothers, sisters or other relatives. You might be close, but when you haven't been giving financial or domestic support at the time of death, your nomination will not be valid. To make a binding nomination visit lucrf.com.au and download the form or call us on **1300 130 780**.

High five! We've gone the distance



Superannuation is all about going the distance – both in how our investments perform and how we choose to invest.

We were glad to learn from Roy Morgan Research that you're some of the most satisfied members in the country.*

Leading on from that, we've been recognised by independent ratings agency SuperRatings for our strong commitment to managing sustainable investments.†

It's our top priority to keep your satisfaction levels high, so we'll continue to provide quality customer service, solid investment returns and low fees.

Thanks for your ongoing support.

*Roy Morgan Research, Roy Morgan Superannuation and Wealth Report. Roy Morgan, 2015
†SuperRatings, SuperRatings media release, June 11, 2015

No fee increases for the new financial year

Activity fee type	Current fee	Fee from 01/12/2015
Death	\$225	\$130
Total & Permanent Disability (TPD)	\$225	\$130
Family law split (members and non-members)	\$225	\$120*
Family law enquiry	\$50 + GST to non-member	\$24 + GST to non-member

As of 1 December, the indirect costs of your investment and our administration remain at the same level as last year. Our administration fee of \$1.50 has stayed the same since November 2012.

In fact, all LUCRF Pension fees will either remain the same or decrease. The table at the left details the upcoming changes to our activity fees.

*This figure is split between the two parties resulting in each paying \$60.

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