

Market update

First Quarter (July – September) 2015

Making the most of market uncertainty

Recent investment market volatility and a spate of media coverage may have left some members wondering what is going on.

Share markets around the world fell in September. This was due to instability in the Chinese share market and concerns that global economic growth may be slowing down.

Unfortunately, Australia was not spared with the Australian share market (S&P ASX300) falling in the last quarter, as well as the Aussie dollar.

The other main incident that concerned investment markets globally was the US Federal Reserve Bank's decision to delay its much-anticipated decision to increase interest rates. After being prepared for a rate increase in the fourth quarter of 2015, expectations have now shifted to the first quarter of 2016.

What does it all mean?

Basically, anything that affects global share markets can cause a ripple effect on the Australian share market, which is often reflected in short-term returns.

Our MySuper Balanced option (that most members are invested in) has returned -1.94% over the quarter. Remember though that super is a long-term investment.

Over the last 20 years (1996-2015) our MySuper Balanced (default) option has achieved an average return of 7.48%, well exceeding our investment objective of CPI + 4% per annum.

Ups and downs

Market instability is a normal and expected part of any investment cycle. As such, we can't expect positive returns every year, but rather must take the good with the bad.

We offer members a range of diversified (pre-mixed) investment options that invest in a range of asset classes and share markets. This diversification is a vital aspect of managing investment risk.

Making the most of it – every cloud has a silver lining

It's not all gloom and doom. A fall in the market can be a great buying opportunity. We are taking advantage of the downturn and rebalancing into Australian shares. The main benefit of rebalancing is buying at low prices and selling at high prices, thus reducing investment risk and maximising returns.

While our returns may drop in the short term, we strive to meet our investment objective of CPI +4% per annum for our Balanced (default) option and continue to maximise the retirement savings of all members.



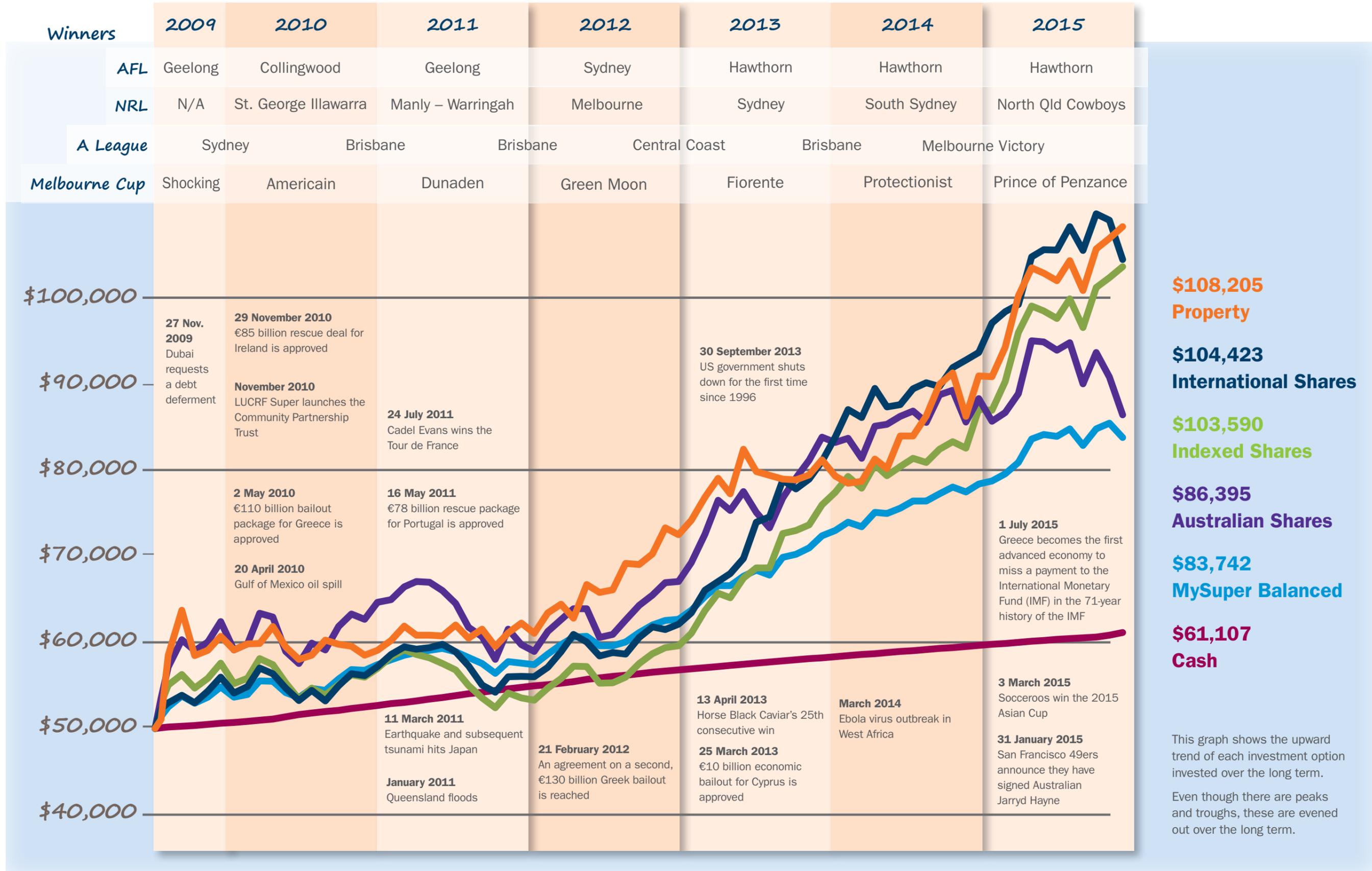
LUCRFsuper

Australia's first industry fund



What is \$50,000 invested in super on 1 July 2009 worth now?

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Please note: not all our investment options are shown in the graph. Past performance is not a reliable indicator of future returns.

Your returns this quarter

The table below shows how your investment has performed for the quarter and financial year to date.

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 %
	01/07/2015 - 30/09/2015	
MySuper Balanced*	-1.94	-2.10
Conservative	-0.56	-0.59
Moderate	-1.03	-1.07
Targeted Return	-0.77	-0.77
High Growth	-2.54	-2.76
Cash	0.49	0.58
Property	1.25	1.00
Indexed Shares	-2.46	-2.80
Australian Shares	-4.81	-5.15
International Shares	-4.17	-4.77

*For LUCRF Pensions, this investment option is called Balanced. Note: The table above details our final rates for 30 September 2015. For the latest rates, please visit lucrf.com.au or call **1300 130 780**. Past performance is not a reliable indicator of future investment returns.

Supporting the National Jockeys Trust

You may have noticed the LUCRF Super name on the jockeys' breeches over the recent Spring Racing Carnival.

Our values are centred around the entitlement to dignity for all in retirement. These values lie at the heart of everything we do. Partnering with the Australian Jockeys' Association provides us with a unique opportunity to build our brand in a responsible and meaningful way, consistent with our own values.

Sadly, serious injuries are a frequent occurrence for jockeys, and more than 800 riders have lost their lives since Australian racing first began. We have been in partnership with the Australian Jockeys' Association since 2013, to support the National Jockeys Trust.

The Trust provides support and financial assistance to seriously injured or ill jockeys and their families, when they need it most.



Contact us
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