

# SuperUpdate | SPRING19



**NESS Super**, the industry fund to power your financial future

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PAUL CAHILL  
NESS Super CEO

## Message from the CEO

The past financial year has seen the NESS members first attitude come to the fore. A new highly member focused insurance package has been developed for all members, but Governmental legislative change has seen this new program delayed. We are hopeful that the new insurance arrangements will be presented to members in the last quarter of this year.

A solid MySuper return of 7% demonstrates the NESS commitment to its members. The returns for all options are included in this newsletter. The funds low cost base means that NESS members continue to receive excellent overall value for money.

As CEO my focus has been on ensuring NESS members needs continue to be our number one priority with an increased focus on

looking after our member's requirements. We have in sourced our contract centre to provide members with a higher level of customer service, we are in the process of employing new Member Service Managers to deal with members in the field and we have increased our marketing resourcing.

During the coming twelve months the improvements to NESS will continue with developments planned for the fund's financial advice offerings, investment options and the afore mentioned insurance offering.

I would like to take this opportunity to thank members for their continued support both now and into the future and remind all members that NESS is a profit to member industry fund where the member (You) is our reason for existence.

**Paul Cahill – CEO NESS Super**

## We're in the process of making BIG changes to our insurance offering

**We're working towards our improved insurance offering which will provide our members with flexible options that take into consideration the different needs and various life stages of all our valued members.**

### Insurance with NESS Super is:

- ✓ **Easy:** premiums are deducted from your NESS Super account.
- ✓ **Flexible:** you can increase your cover easily to suit your needs and situation (subject to meeting the insurer's health evidence requirements).
- ✓ **Affordable:** because insurance cover is taken out at group rates.

**Stayed tuned for more details!**

# Investment Commentary

Financial Year End: June 30 2019

## Solid returns to continue in 2019/20, but dark clouds are looming

### Overview

Global markets have been strong through the first half of 2019, with Central Banks both here and abroad lowering interest rates and Chinese authorities announcing stronger-than-expected stimulus measures. However, there are concerning signs on the horizon, with an ongoing trade war between China and the USA and questions being raised as to how strong the Australian and global economies are. To add to this, the questions of what shape Brexit will take and what impact it will have has resulted in further uncertainty.

Whilst there appears to be likely further interest rate cuts in Australia and the USA, further Chinese stimulus and even a possible US-China trade deal to help, we remain cautious to the downside risks to equity markets. Expectation is that the current US expansion will continue through 2019, before plateauing in the face of increasing risks of a US recession in late 2020 or early 2021. Overall, we expect global growth to remain modestly positive in the next 12 months.

Australian real estate was the strongest performing major asset class, returning 19.4% over the past 12 months whilst cash (on the back of lower interest rates) was the weakest performing major asset class, returning 2.0%.

### Global Shares

Global share markets performed well over the past 12 months, returning 6.6% in local currency terms. In unhedged Australian dollar (AUD) terms, stocks returned 11.9%. Most of the gains were driven by global central banks lowering rates, with share markets benefiting from another round of encouraging US earnings results and promise of resumed trade talks between the US and China.

### Australian Shares

The Australian share market performed well over the period, with the S&P/ASX 300 Accumulation Index closing the year 11.4% higher. Much of the local market's gains came in the second half of the year, driven by a reduction in rates by 50 basis points by the Reserve Bank to 1.00% and strong gains by the 'Big Four' banks, recovering from impact of the Royal Commission, and major miners.

### Property

Australian real estate investment trusts (A-REITs) performed very well over the past 12 months, closing the period up 19.4%. Local property stocks gained as investors sought higher-yielding assets in the face of declining interest rates, with long-term domestic bond yields falling to record lows late in the year.

### Bonds and cash

International bonds performed strongly for the year, returning 7.2%. Major long-term bond yields fell sharply over the period as investors favoured the asset class's traditionally defensive properties. Australian bonds outperformed their global counterparts over the year, gaining 9.6%. Cash returned 2.0% over the past 12 months, underperforming all the other major asset classes (due to the RBA cutting rates to a historic low for Australia).

Investment commentary provided by Russell Investments

## Investment performance – a rewarding year for investors

The financial year was another successful one with all our funds recording solid returns. The tables below show the returns (net of fees and taxes) achieved across the range of NESS products and investment options over the 12 months to June 30.

### NESS Super Members Investment performance

Year to 30 June 2019	1 Year % p.a.	3 Year % p.a.	5 Year % p.a.	10 Year % p.a.
NESS MySuper	7.00	8.51	7.48	8.21
Cash	2.10	1.96	2.02	2.96
Stable	5.50	5.55	5.15	6.34
Property	13.10	10.55	10.51	10.55
High Growth	7.50	10.76	9.07	10.11
Australian Shares	6.90	11.27	8.54	10.21
Overseas Shares	8.00	11.65	10.24	10.98

### Account Based Pension (ABP) Members

Year to 30 June 2019	1 Year % p.a.	3 Year % p.a.	5 Year % p.a.
Aggressive	6.85	10.68	9.34
Assertive	6.40	9.01	8.07
Moderate	5.95	7.93	7.32
Cautious	6.20	6.64	6.24
Conservative	5.95	5.13	4.93
Cash	2.55	2.30	2.34

The crediting rates for each investment option for the 2018/19 year, are net of tax and fees

**NESS Super offers members a range of seven investment options and six pension options that can be mixed in any combination to suit your personal investment and retirement needs.**

If you want to change your investment option(s), you can switch via **MemberAccess** or if you are a pension member via **Pension MemberAccess** or by completing a 'Change My Investment Choice' Form from our website [www.nesssuper.com.au](http://www.nesssuper.com.au) or request one from NESS Super by contacting us on **1800 022 067**.

If you need help choosing the right investment option for your personal situation or with managing your Super up to and through retirement, simply call NESS Super on **1800 022 067** and ask to speak to a financial adviser at Link Advice<sup>^</sup>.

Past performance is not a reliable indicator of future performance

<sup>^</sup> Advice is provided by Link Advice Pty Limited, ABN 36 105 811 836, ASFL No. 258 145.



## Lets keep CONNECTED!

With all the evolving changes in Super, now more than ever it's important that we have your most up to date contact details so that we can continue to communicate with you.

At NESS Super we're committed to keeping you informed about changes in the industry that impact you directly.

Way's that you'll hear from us include:

- Newsletters
- Annual and midyear statements
- Member email campaigns
- Employer email campaigns
- Letters
- NESS Super website
- SMS
- PDS, Insurance Guides & booklets

Not sure how to update your details? You can do this via **MemberAccess** or call us on **1800 022 067** or contact us online at **[www.nesssuper.com.au](http://www.nesssuper.com.au)**

## Are you preparing to retire?

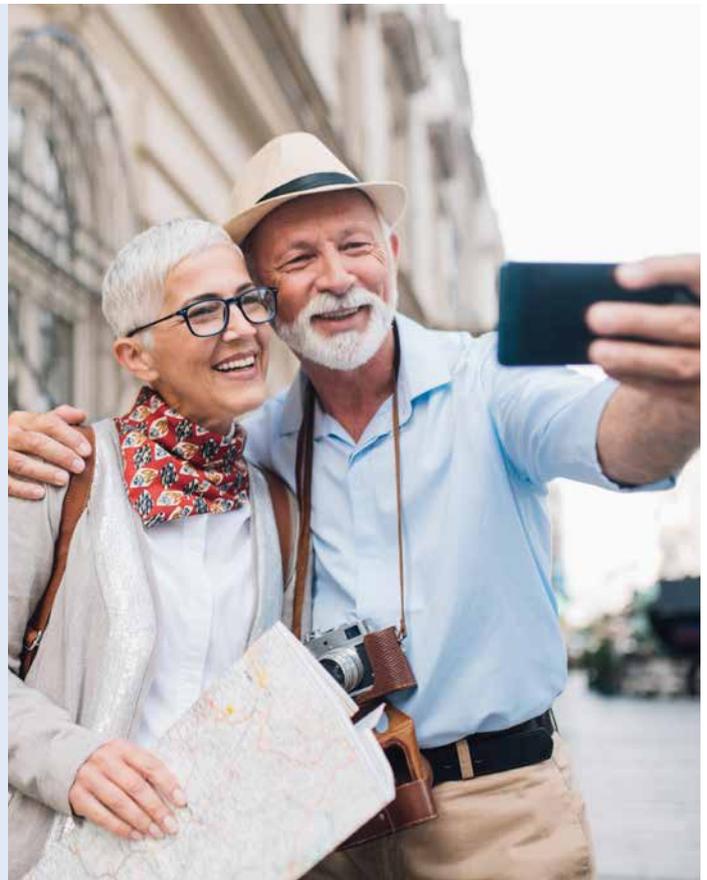
NESS Super can help you with options. We offer two Pension products to help you get most of your Super.

**Transition to Retirement Pension** which you can receive while you are still working if you are between your preservation age to 64, and **Account Based Pension**, which you can receive once you reach your **preservation age** and stop working.

Retirement is your reward for all your hard work. It's an exciting time and it's also a great opportunity to consider how you can boost your super savings. We suggest that you seek financial advice to make the decision that best suits your needs and lifestyle.

Did you know that as a valued NESS member you can access simple and general advice over the phone through our financial planning partner, Link Advice<sup>^</sup>.

<sup>^</sup> Advice is provided by Link Advice Pty Limited, ABN 36 105 811 836, ASFL No. 258 145.





## Changes to the NESS Board

**A final farewell**, at the end of 2018, we saw Tony Glossop step down as Chairman of the board. In 2019, we will farewell Tony as he heads into a well-earned retirement. Tony was a founding Director of NESS Super, having served on the Board of Directors since the fund's inception in 1986. He was elected to the position of Chairman in 1990, a position he held up until February 2018, a remarkable tenure of 28 years.

Tony held long term positions as a Board Member of the Building Services Corporation, National Electrical & Communications Association, Board Member, President and Treasurer of the National Electrical & Communications Association NSW.

During Tony's time as both Chairman and Director, NESS Super has introduced a variety of new insurance options and has maintained its focus on being an industry specific fund to benefit both members and employers.

NESS Super sincerely thank Tony for his outstanding dedication, guidance, vision and experience over the last 33 years! We wish him the very best.

## We've moved our Contact Centre to a new office location! The future is bright!

In July 2019, we moved our Contact Centre and the Trustee Office to new premises at Chullora.

We operate on the principle, 'we're large enough to matter, small enough to care' and we are one of the few niche industry specific funds. Our NESS Super services team provide a dedicated and personalised service to NESS Super employers and members.

We can help with specific enquires about your NESS Super membership or Superannuation in general. And we're only just getting started, so stay tuned for a more exciting 2020!

Contacting NESS Super is easy. Our friendly staff are ready to help you. Its important that you tell us if you change address so that you continue to get all the information issued by NESS Super. You can do this via **MemberAccess** or you can call, email or write to us.

Contact us on **1800 022 067** between 8.30am and 6.00pm (Sydney time) Monday to Friday or by email at [nessadmin@nesssuper.com.au](mailto:nessadmin@nesssuper.com.au)

Though our financial planning partner, **Link Advice**<sup>^</sup>, you can access general and simple advice over the phone about selling the family home and your retirement planning options.

There is no additional cost for our phone based advice, this service is included in your NESS membership.

**1300 734 007**  
[fp@linkadvice.com.au](mailto:fp@linkadvice.com.au)  
[linkadvice.com.au](http://linkadvice.com.au)

**LINK**Advice

^ Advice is provided by Link Advice Pty Limited, ABN 36 105 811 836, ASFL No. 258 145.

## At NESS Super, we're here to help you. Contact a member of the NESS Service Team today.



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### Contact us for more information about any of the topics in this newsletter.

**Disclaimer:** The information contained in this newsletter is up-to-date at the time of its publication. However, some information can change over time. The contents are for general information only and do not constitute personal advice. We recommend that you consult with a suitable qualified person before making any financial decisions.