

January 2009

SUPERcontact

HEALTH
SUPER 

Health Super,
here to help you and
your business

Investment market update • Our face to face service





From our CEO, Chris Clausen



I trust you had a happy and enjoyable festive season and are looking forward to all that 2009 has to offer.

The 2008/09 financial year has seen a continuation of dramatic volatility, with negative returns continuing to be wide spread across the financial services industry. Historically, share markets have a habit of bouncing back and it is 'time in the market' not 'timing the market' that is important. Remember, it is investment returns over 3, 5 or even longer periods that are important. As a result, we encourage members to take a long-term view, with reference to their working careers and period in retirement.

We remain confident that investment markets will bounce back in the future, but in the short term, investments conditions continue to be weak. Health Super is relatively conservative in the way we invest money and follows a strict set of guidelines, including diversifying across a range of different asset classes to minimise risk. To read more about our investment returns see page 3.

Some of your staff may be concerned about their super in the current economic climate. This may be the perfect time to take advantage of assistance from our dedicated Account Managers in the form of seminars in your workplace or one-on-one member interviews. This can help increase understanding and ease concerns. Health Super Financial Planning (HSFP)* can also offer specific personal advice on an individual basis, particularly if members are nearing retirement.

If you have any questions about super, I encourage you to call your Account Manager or our Employer line on free call 1800 133 050. Please also direct your staff to call us on free call 1800 331 719 for assistance with any of their super enquiries. We are always more than happy to help simplify what is sometimes a difficult subject.

*Health Super Financial Services Pty Ltd ABN 37 096 452 318 trading as Health Super Financial Planning AFSL No. 240019 is a wholly owned subsidiary of Health Super Pty Ltd (Trustee). The Trustee pays HSFP half of the annual 1% account keeping fee charged for Health Super's Account Based Pension products. Health Super is not a representative of HSFP and receives no commission when making referrals to this service.

If you have ideas for future editions of Super Contact we'd love to hear them!

Send your suggestions to Health Super via email to:
marketing@healthsuper.com.au

Super Investment Performance



Standard investment options (% p.a.)

Standard option	1 July 08 – 31 Dec 08 (%)	3 year compound average^ (%p.a.)	5 year compound average^ (%p.a.)	10 year compound average (%p.a.)
Long-Term Growth	-16.61	-1.54	5.38	4.70
Medium-Term Growth	-11.68	0.12	5.69	4.95
Balanced	-7.72	1.23	5.46	N/A
Short-Term Conservative	-3.16	2.65	5.32	4.81
Stopover	3.09	5.73	5.67	5.29

Socially Responsible Investment options (% p.a.)

Socially Responsible Investment (SRI) options*	1 July 08 – 31 Dec 08 (%)	3 year compound average^ (%p.a.)	5 year compound average^ (%p.a.)
Long-Term Growth	-11.68	-1.54	4.06
Medium-Term Growth	-8.14	0.05	4.67
Balanced	-5.28	1.15	4.74
Short-Term Conservative	-1.91	2.53	4.88
Stopover	N/A	N/A	N/A

How returns are allocated to members' accounts

Investment returns are applied to members' accounts through the declaration of monthly crediting rates by the Trustee using returns from the relevant investment option (net of tax, investment fees and any other relevant expenses).

It is important to note that if investment markets fall, the value of the benefit held in Health Super may also fall. Investment returns depend on which investment option the member has chosen. If no option has been selected by a member, the Lifecycle (default) strategy (which is based on age) will apply as shown below.

Lifecycle Default Strategy

Your age	Automatic default option
Under 50	Long-Term Growth
50-60	Medium-Term Growth
Over 60	Balanced

Past performance is not a reliable indicator of future performance. Returns shown are for Accumulation accounts, net of applicable fees and costs (but not all fees). See the Accumulation PDS for more information. Returns can be positive or negative.

^To 31 December 2008.

*SRI options were only introduced in 2003; a 10 year average is not available.



Overview of investment markets



The first six months of the 2008/09 financial year has proven to be an extremely difficult period for investors as the 'global financial crisis' continued to develop, and economies around the world began to contract. World central banks slashed interest rates, while governments increased spending in an attempt to reignite slowing economies. Despite spending on an unprecedented level, several of the world's largest economies including the United States, United Kingdom and Japan are almost certainly headed for recession. The banking industry was particularly hard hit as the landscape changed forever with several high profile businesses either entering bankruptcy, being taken over or rescued by government bailout packages. In the United States Bear Stearns was taken over by JPMorgan, Fannie Mae and Freddie Mac were nationalised by the United States government, Lehman Brothers filed for bankruptcy and Bank of America took over Merrill Lynch.

Share markets fell heavily during the first six months of the financial year, with the Australian market falling considerably as the credit crisis spread and investors became increasingly concerned about the slowing economy and company profits. At one point in November, the Australian share market had fallen by more than 50% from its all-time high in November 2007. A number of high profile Australian companies, including Babcock and Brown, ABC Learning and Allco found themselves in financial trouble due to their high levels of debt. During November and December several Australian companies including all four major banks, raised capital to strengthen their balance sheets. International shares fell for similar reasons. Losses from international equities were limited to some extent by the large fall in the Australian dollar.

The performance of fixed interest (or bond) markets was also very volatile and dependent of the types of securities owned. Credit related securities (such as company bonds), in particular financials, performed very poorly as investors became increasingly concerned about the borrowers ability to repay the capital invested. Government bonds performed well as they benefitted from 'a flight to quality'. Fixed interest markets were mixed with Australian fixed interest markets recording positive returns, while international fixed interest markets produced negative returns. Cash continued to be one of the better performing asset classes, producing positive returns during the period. However, returns available in cash markets have declined in recent months as central banks around the world have reduced official rates.

The first six months of the 2008/09 financial year has been a very difficult period for superannuation funds, with negative returns widespread across the industry. Relative to its competitors however, Health Super performed strongly, **outperforming the average median fund returns in the November 2008** SuperRatings survey (for more information visit www.superratings.com.au) across all of its investment options.

For up to date investment and performance information, visit our website at www.healthsuper.com.au

Early release of super benefits

During these tough economic times, you may have some of your staff asking questions about how they can access their super benefit. Super generally is 'preserved' until retirement from the workforce at any time after age 55. However, subject to a fund's governing rules, early release of a preserved benefit is permitted on the grounds of 'severe financial hardship'. To be granted an early release, strict criteria by law must be met before a fund's Trustee can release a benefit:

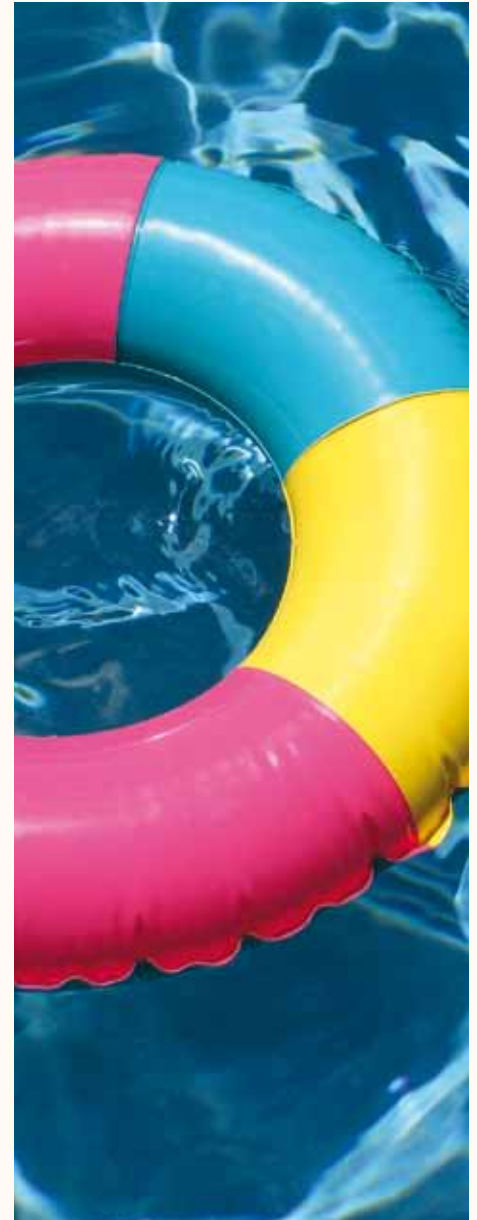
- Be in receipt of a Commonwealth income support payment, and have been so, continuously for the last 26 weeks; and
- Satisfy the Trustee provider that you are unable to meet reasonable and immediate family living expenses.

If both of these criteria are satisfied, the Trustee may be able to release no more than one lump sum payment within any 12 month period. This payment must be no more than \$10,000 and no less than \$1,000 (or the balance of the account if it is less than \$1,000).

The Australian Prudential Regulatory Authority (APRA) has set specific guidelines to assist Trustees with the early release of super benefits. If an individual cannot gain early access to their super through severe financial hardship criteria, they may consider asking APRA to approve the release of some or all of their benefit on the following specific grounds:

- Medical treatment or transport for the member or their dependant where the treatment is necessary to treat a life threatening illness or injury, or to alleviate acute or chronic pain or acute or chronic mental disturbance, and where such treatment is not readily available through the public health system;
- To prevent foreclosure of a mortgage, or exercise of a power of sale over the member's principal place of residence;
- Modifications to the family home and/or vehicle to meet the special needs of a disabled member or their disabled dependant; or
- Palliative care or death, funeral, or burial expenses for a member or their dependant.

For more information about the early release of a super benefit visit www.apra.gov.au or call our employer line on free call 1800 331 050.



Visit www.apra.gov.au
for more information about
the early release of a
super benefit.



One-on-one interviews with staff



As part of Health Super's commitment to providing service excellence, we have a team of dedicated Account Managers who are available for one-on-one member discussions with your staff in your workplace. Health Super's Account Managers can provide general advice during one-on-one member interviews on topics such as:

- The current general economic climate;
- Member benefit statements;
- Superannuation options;
- Insurance benefits;
- Accessing Government Co-Contribution; and
- Tax on super.

Health Super's Account Managers also conduct on site educational seminars tailored to suit your workplace. At these 'eat and talk' sessions, our Account Managers are available to help your staff understand more about superannuation and their Health Super account. Set in a relaxed environment, our Account Managers encourage questions and feedback.

Account Managers can also assist you with information about superannuation legislation updates, solutions for optimal submission of member contributions, data and payments as well as general superannuation enquiries.

To organise a workplace seminar or one-on-one member interviews in your workplace, contact your Account Manager directly or our Employer line on free call 1800 133 050.

Want to contact your Health Super Account Manager?
Call the Employer line on
1800 133 050.

Meet Health Super's newest Account Manager



Health Super's Account Management team is dedicated to helping you and your employees better understand and make the most of their super. We're pleased to introduce our newest Account Manager, Mark Morris.

In the beginning...

Mark joined Health Super in October 2008 as an Account Manager.

Mark's favourite aspect about working at Health Super...

The people aspect of the role, I meet with many members and employers which makes my role varied and dynamic. I also have a supportive team at Health Super which assists in my work in the field and makes returning to the office a real pleasure.

The highlights...

Having a potential member tell me "I can see that you're friendly, approachable and are enjoying your role and I would choose Health Super for my superannuation." This gave me a great buzz and made me realise that my role is as much about the people as it is the superannuation.

Interesting aspects about the Health and Community Services sector...

The Health and Community Services sector is about helping people, similarly, Health Super is about helping people. One focuses on the health of the individual and the other focuses on the individual's retirement savings. It's great to be working in a sector that gives back to the community.

An interesting fact about Mark...

He has competed in two marathons!

Account Manager contact numbers:

Grant Daubeny	0417 574 206
Peter Pallis	0417 578 239
Ken Cross (NSW)	0417 346 437
Simon Blanks	0418 313 421
Claude Savino	0419 343 908
Melissa Bodycoat	0427 682 123
Mark Morris	0417 542 560



To arrange a visit with your Account Manager, call them direct, or call our free call Employer line on 1800 133 050.

How to contact us

Health Super Fund (Health Super)
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Health Super Pty Ltd as Trustee of the Health Super Fund
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click 

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