

Goldman Sachs & JBWere Superannuation Fund

Annual Newsletter

July 2019

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Fund performance¹

The Trustee is proud to advise that the Fund continues to deliver strong long term performance for members. The Fund's investment performance was ranked number 1 over the 7 and 10 year periods to 31 May 2019 according to the latest SuperRatings peer group data².

The Trustee's investment strategy is to prudently invest the assets of the Fund in pursuit of the maximum rate of return possible, subject to acceptable risk parameters and maintenance of an appropriate diversification of investments. By continuing to utilise access to the investment resources of Goldman Sachs and JBWere, the Fund has continued to meet the key investment objectives over the longer term.

MySuper Performance (accumulation members)¹

- 10 year return to 31 May 2019 – Ranked 1st out of 59³ (with a return of 10.46%)
- 7 year return to 31 May 2019 – Ranked 1st out of 68³ (with a return of 12.23%)
- 5 year return to 31 May 2019 – Ranked 27th out of 111³ (with a return of 8.51%)

Remember that you can look up the Fund's most recent crediting rates on the Fund website www.gsjobw.superfacts.com, at any time.

Crediting Rates for the 2018 - 2019 year

Month	Account Based Pensions Crediting rate for the month (after tax and fees)*	All other accounts Crediting rate for the month (after tax and fees)*	Investment Benchmark**
July 2018	0.97%	0.87%	1.1%
August 2018	1.95%	1.74%	0.9%
September 2018	-0.45%	-0.42%	-0.1%
October 2018	-4.95%	-4.47%	-3.0%
November 2018	-1.51%	-1.37%	-0.5%
December 2018	-0.87%	-0.81%	-1.1%
January 2019	2.56%	2.30%	2.5%
February 2019	5.06%	4.52%	2.6%
March 2019	1.13%	0.99%	0.9%
April 2019	2.78%	2.50%	1.7%
May 2019	-0.52%	-0.49%	-0.5%
Financial Year (to 31 May 2019)	5.96%	5.19%	4.4%
5 year compound average pa (to 31 May 2019)	9.41%	8.51%	6.5%
10 year compound average pa (to 31 May 2019)	11.46%	10.46%	6.1%

* Tax is based on estimated rates.

** The Investment Benchmark for the monthly, financial and five year crediting rates is the Median return from the Mercer Employer Super Balanced Growth Survey. The Investment Benchmark for the 10 year crediting rates is calculated based on the 10 year compound increase in the Consumer Price Index (CPI) plus 4% pa.

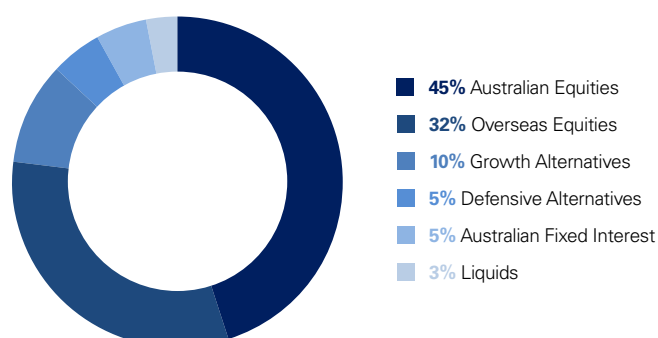
1 It is very important to note that past performance is not a reliable indicator of future performance.

2 SuperRatings' Fund Crediting Rate Survey – Growth 77-90 options (as at 31 May 2019)

3 The number of options ranked varies based on when the options were first established.

Strategic Asset Allocation

The permitted ranges for each asset class and the strategic asset allocation are:



Your Trustee Board

The Trustee Board comprises an equal number of member representative Directors (appointed by members of the Fund in accordance with the rules for the appointment of member representative Directors) and employer representative Directors appointed by the employers.

There are two member representative Directors from Goldman Sachs Australia Services Pty Ltd (Goldman Sachs) and one from National Australia Bank Limited (NAB) working principally in the JBWere business (JBWere).

The same ratio of directors represents the sponsoring employers in the employer appointed directors.

The current Trustee Board is as follows:

Employer Representative Directors	Member Representative Directors	Alternative Directors	Company Secretary
Goldman Sachs			
Conor Smyth Paul Sundberg	Sophie Dodson Sean Tolpinrud	Melissa Muratore	Jim Vais
JBWere			
Angela Manning (Chairman)	Brian Jones	Sally Campbell	

BEST Superannuation Pty Ltd - Trustee Election Results

The Trustee welcomes Sophie Dodson who has been appointed as the Member Elected Representative Director from Goldman Sachs. Sophie fills the vacant position created by the departure of Nell Hutton. The Trustee wishes to thank Nell for her service to the Fund and for her invaluable contribution to the Trustee Board over her tenure as a Director.

The Trustee congratulates Brian Jones who has been reappointed as the Member Elected Representative Director from JBWere.

Both Sophie and Brian will serve on the Trustee Board until 30 June 2023.



Key super changes from 1 July 2019

What rules apply for the 2019/20 year?

Pension work bonus going up

Those receiving the age pension and still working may be eligible to receive the Work Bonus. This excludes some of your employment income from the Centrelink income test. The current bonus of \$250 a fortnight, will increase to \$300 allowing you to continue working for short periods without impacting your age pension entitlement.

Contribute to super in the first year of retirement

Those aged between 65 and 74, who hold less than \$300,000 in their super account (at the end of the previous financial year), will be able to make voluntary contributions to their super in the following financial year without needing to satisfy the work test. This opportunity is also only available in the year immediately following the year in which you last met the work test and may only be used once.

Super co-contribution scheme threshold changes

Where your total income during the 2019/20 financial year is between \$38,564 (increased from \$37,697) and \$53,564 (increased from \$52,697), and you make an after-tax contribution to your super fund, the federal government will pay you 50 cents for each dollar you contribute to your super fund, up to a maximum of \$500.

To be eligible, you will need to:

- satisfy a work test if you are over 65 years;
- be under the age of 71; and
- have a total super balance of less than \$1.6 million.

For more information head to the ATO website.

Catch-up concessional contributions allow eligible Australians to put more into super

The 2019/20 financial year will be the first where eligible individuals can make additional catch-up concessional contributions by utilising unused concessional contributions cap amounts from previous years.

To be eligible to make a catch-up concessional contribution, your total superannuation balance must be less than \$500,000 on 30 June of the previous financial year. Unused amounts are available for a maximum of five years, and after this period will expire.

Protecting Your Super Package

Capped fees, opt-in insurance and forced transfers

In last year's Budget, the Government announced a range of reforms as part of its 'Protecting Your Super' package. Not all those measures have passed into law, but a few have and will now come into effect on 1 July 2019.

Summary of Changes from 1 July 2019:

- Fees capped at 3% on accounts with balances less than \$6,000
- Prohibiting super funds from charging exit fees to all members regardless of account balance
- New ATO-based consolidation process requiring super funds to transfer to the ATO all inactive accounts (no contributions for at least 16 months) and balances below \$6,000
- Requirement for the ATO to transfer "matched" accounts to active accounts where the total exceeds \$6,000
- Insurance cover ceases for members with no contributions or rollovers for 16 months

If you are impacted by these changes, we have written to you already or we will write to you over the coming weeks.

Forced transfers

Under the new laws an enforced consolidation program will require super funds to transfer inactive accounts with balances below \$6,000 to the Australian Tax Office (ATO). The ATO will reunite those accounts with the member's active account where possible, and must do so within 28 days of identifying the active account.

Opt-in insurance

Insurance will also be removed on accounts where no transactions have occurred for 16 months, unless the member opts-in.

The initial package also proposed opt-in insurance arrangements for accounts of less than \$6,000 and new super members under the age of 25. Those proposals have not yet been passed.



Accessing Financial Advice – for free

Make sure you understand what these changes mean for you. Remember, you are able to call the Helpline on 1800 025 026 to speak to a financial adviser over the phone to help adapt your contribution strategy if necessary. Free general advice is available in relation to: Contributions, Investment strategies, Levels of insurance cover, and Starting a pension.

Making the most of your super

Setting up your super for success

1. Make a voluntary contribution (pre-tax)

Consider boosting your super by making before-tax contributions via salary sacrifice and benefiting from tax savings. Start saving now and you can get the added benefit of compounding interest - earn interest on not only the money in your account, but on the interest you have already earned.

Simply complete the "making a voluntary contribution form" available on the Fund website.

2. Make a lump sum contribution (pre or post tax)

Whether you're an active member or a member of the Retained Division can top up your super by making a lump sum contribution.

Simply complete the "making a lump sum contribution form" available on the Fund website.

The form allows you to select the tax treatment of your contribution. To have your contribution treated as a concessional (pre-tax) you must submit an ATO notice (search 'Notice of intent to claim or vary a deduction for personal super contributions' at www.ato.gov.au).

3. Check your insurance cover

Know your cover! Check your cover online or request your cover details from us.

DID YOU KNOW?

Effective 1 July 2019, if you have not contributed to your account for >16 continuous months, your cover may be switched off.

Making a contribution will mean your cover continues, however you can opt-in to have your cover continue regardless.

To find out how to manage this please contact us.

4. Check for multiple super accounts

You can check where your super is by using ATO online services through myGov.

If you would like to consolidate your other accounts into your Goldman Sachs & JBWere Superannuation Fund account you can do so online, or over the phone.

Before combining your super you should consider whether this is right for you and check for any fee or insurance implications.

5. First home super saver scheme

The scheme allows first home buyers to save a home deposit within their super fund.

From 1 July 2017 any personal voluntary contributions you make to your super can be withdrawn to help buy or build your first home.

To learn more head to the ATO website (www.ato.gov.au)

Spouse Division

The Fund's Eligible Spouse Division provides for eligible spouses to be members of the Fund and access many of its benefits. It can be a great way to maximise your combined super savings. If your spouse earns less than \$40,000 a year, you may qualify for a tax offset of up to \$540 on contributions of up to \$3000 that you make on their behalf.

Whilst your spouse cannot have their employer's Superannuation Guarantee (SG) contributions credited to their eligible spouse account, they can make before or after tax additional contributions into their account. You can split your employer contributions with your spouse as well as make additional contributions to your spouse's account.

Amounts that may be paid into, or credited to, the Eligible Spouse Division Member's Account include, but are not limited to:

- contributions made by you as his/her spouse (i.e. the permanent employee and 'original' member of the Fund);
- allotments from your account following a valid contributions splitting application;
- any contributions that your spouse makes; and
- any amount made by, transferred or allotted to the Fund's Eligible Spouse Division from another superannuation fund which is permitted by relevant law

For details about membership in the Spouse Division, read the Features Guide available on the Fund website.

If your spouse wants to become an Eligible Spouse Division Member, please complete and sign the membership application form for eligible spouse members (available on the Fund website or via request from the Fund Helpline).

CONTACT US



To request additional information or to have copies of any the application forms sent to you directly, please contact our Member Services team.

Member Services

Email: GSJBWAdmin@mercero.com

Helpline: 1800 025 026

If calling from overseas Dial +61 3 8687 1868

The Fund website is: www.gsjbw.superfacts.com

Federal Budget 2019

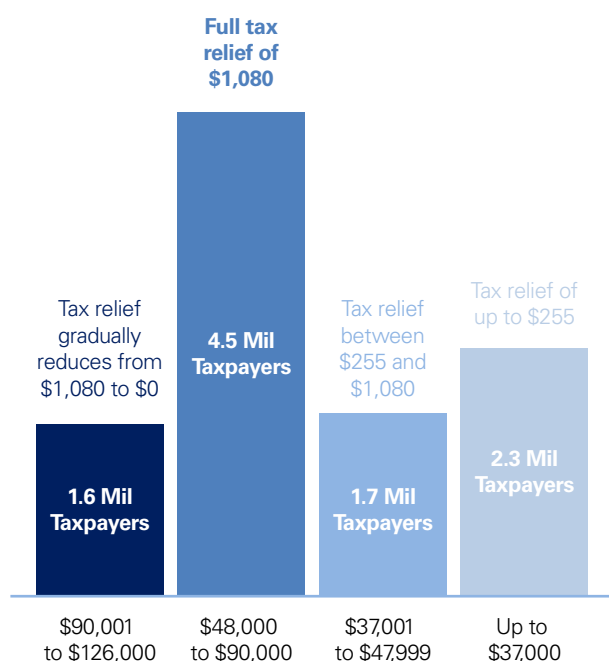
Earlier this year the Federal Treasurer Josh Frydenberg announced the first Budget surplus in 12 years.

One of the main measures in the 2019-20 Budget was expanded tax cuts for low-and-middle income earners.

The Government also appealed to small business with an expansion in the instant asset write-off program and a promise of tax cuts to come.

For more information on all the proposed measures and what these proposals mean for you, head to the Fund website and click on the Federal Budget 2019 Link.

Summary of proposed personal tax cuts



Source: www.budget.gov.au/2019-20/content/tax.htm

From 2018-2019 to 2021-2022, taxpayers earning up to \$37,000 who currently pay a 19% tax rate will receive a lump sum offset of up to \$255, while those in the next bracket (\$37,000 to \$48,000) will see that \$255 increase incrementally up to a maximum of \$1,080.

Those earning between \$48,000 and \$90,000 will receive the maximum offset of \$1,080, with the offset reducing to zero for those earning up to \$126,000. The offsets are available, after lodging their tax returns, as early as 1 July 2019.

From 1 July 2022, tax relief from the larger low and middle income tax offsets will be preserved by increasing the top threshold of the 19% tax bracket from \$41,000 to \$45,000 and increasing the low income tax offset from \$645 to \$700.

Tidying up your super, KonMari style

Find yourself with superannuation accounts here, there and everywhere? You may stand to gain much more than serenity by consolidating them.

In a world driven by the endless acquisition of stuff, Marie Kondo – star of the Netflix mega-smash Tidying up – has made a virtue of sparseness and simplicity. Her KonMari technique asks people to look at the things they own and ask one question: Does it spark joy? If the answer is no, then you thank the object for its service and politely recycle, re-home or throw it in the bin.

Of course, Kondo is talking about exhuming all those old knick-knacks and forgotten gifts, as well as the horrors hiding in the hidden reaches of your underwear drawer. But there's something to be said for applying the KonMari method to the all-too-often tangled mess of your superannuation.

Fold together

According to Kondo, if an item of clothing is good enough to keep, it's good enough to be folded in a pristine and pleasingly visible way. Given that more than one-third of Australian adults hold two or more super accounts, totalling a gob-smacking \$17.5 billion in lost or unacknowledged funds, it's fair to say that as a nation, we could stand to devote the same level of attention to our super.

Fortunately, chasing lost super involves just a few clicks these days. All you need to do is go to the myGov website and open your Australian Taxation Office profile. There you'll not only be able to see all your super account balances, you'll also be able to press a button to turn the two (or three or four) accounts into one. Now, doesn't that feel better?

Pay less fees

A cluttered life is a costly one, at least as far as the KonMari method is concerned, and the same is true of undisciplined super. Extra funds mean extra fees, eating away at your retirement savings – over the course of your working life it can mean tens of thousands of dollars.

So, take the time to look at the super fund you're with, use MoneySmart's superannuation calculator to find out how much it might be costing you, then ask yourself: Does this still spark joy?

Peace of mind

At the end of the day, the KonMari method is about finding clarity and purpose by eliminating aspects of your life that overwhelm you. Wouldn't it be great to say goodbye to all those unnecessary super statements, follow-up emails and tax reports? Not to mention the sense of guilt you feel every time you read an article like this.

It's time to take a fresh look at your super, thank those unwanted accounts for their service and put them in the bin. It will make you happier, calmer and, quite possibly, a whole lot richer.



Global market update

US trade wars cool

Global equity markets saw a rebound in quarter one of 2019 from a weak finish in 2018, as concerns over the US-China trade dispute eased and major central banks grew more accommodative towards market climates. These conditions corresponded with a 12.6% increase in the MSCI World ex Australia index (Hedged) over the first quarter of 2019, and double digit returns for majority of equity markets.

Falling yields coupled with a dovish stance from the US Federal Reserve (Fed) increased the attractiveness for real assets as investors looked to diversify into alternative assets. Consequently, domestic and Global real assets performed strongly over the quarter, with AREITs increasing 14.4% and GREITs (Hedged) increasing by 14.8%. In commodities, supply constraints in key resources areas saw growing prices as the oil price increased by 29.0% to \$68.55 per barrel, while Iron Ore prices rose to \$86.5 per metric tonne for a 21.0% increase over the quarter, all in US dollar terms.

At the beginning of 2019, the Fed's hawkish stance of three expected rate increases for 2019 pivoted precipitously, after the turbulent December month caught the Fed off-guard, with markets indicating that a change of tone was needed. As the quarter progressed, the Fed capitulated to a more patient tone easing market concerns regarding further rate hikes, with no expected rate hikes going forward for 2019. This paradigm shift resulted in a sway of improved sentiment in equity markets. For the US, equity gains were widespread for the quarter overall, with the S&P 500 observing growth of 13.6% over the quarter. The IT sector, having undergone a different Q4 2018, bounced back to perform especially well in Q1 2019, returning 18.5% globally.

Brexit Chaos

Over the quarter, PM May's Brexit proposals have been rejected from British Parliament alongside a successful delay in the deadline, which currently stands at 31 October 2019 for the UK to leave the European Union (EU) with or without a deal, postponing the UK's departure from the EU by six months. Theresa May subsequently resigned and left office on 7 June creating further uncertainty.

UK equities performed well over the quarter, despite uncertainties stemming from Brexit, and were consistent with global equity performance, with the FTSE 100 increasing 9.5%.

Strong performance, down under

The Australian equity market underperformed its hedged international counterpart, though still performing strongly, with the S&P/ASX 300 Index increasing 10.9% during the quarter. Performance was driven by a rebound across the banks, following the conclusion of the Royal Banking Commission, as well as favourable trading conditions and strong employment figures over January. The best performing sectors were IT (+20.0%) and Materials (+17.7%), benefiting from a rebound in the technology sector and escalating commodities prices for iron ore.

Have a question?

If you need assistance with your super or would like to speak to a financial adviser for limited personal advice, call the Helpline on **1800 025 026**. Alternatively, visit the website, **www.gsjbw.superfacts.com** for latest news, information and investment updates.

You can also send a query online by visiting the website, clicking the 'Contact us' tab and completing the online enquiry form.

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