Goldman Sachs & JBWere Superannuation Fund

Newsletter June 2018

In this newsletter:

Top performing superannuation fund

The Trustee is pleased to advise members that the Fund continues to perform strongly over longer terms. As the key benchmark for superannuation fund performance is long term investment returns, we are pleased to announce these results. 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

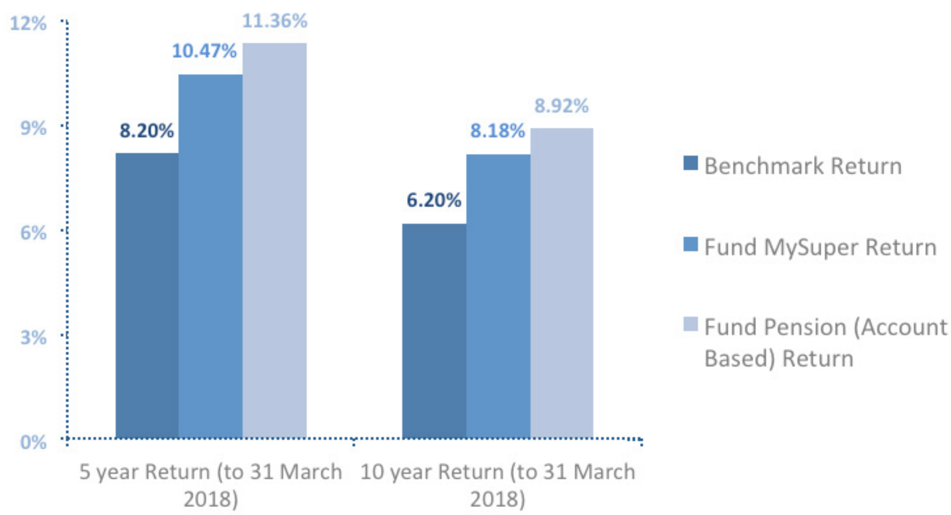
The Fund's investment performance was ranked in the top 4 over the 5, 7 and 10 year periods to 31 March 2018 according to the latest SuperRatings data of MySuper default options. The Fund's performance over the 10-year period to 31 March 2017 topped the rankings with an 8.18% pa, a return 0.35% pa ahead of the next ranked super fund.

- 5 year return to 31 March 2018 – Ranked 4 (with a return of 10.47%)
- 7 year return to 31 March 2018 – Ranked 3 (with a return of 9.78%)
- 10 year return to 31 March 2018 – Ranked 1 (with a return of 8.18%)

Fund Account Based Pension Performance

- 5 year return to 31 March 2018 – Ranked 16 (with a return of 11.36%)
- 7 year return to 31 March 2018 – Ranked 4 (with a return of 10.77%)
- 10 year return to 31 March 2018 – Ranked 1 (with a return of 8.92%)

The Fund's performance over the 10-year period to 31 March 2017 topped the rankings with an 8.92% pa, a return 0.55% pa ahead of the next ranked super fund.



1 SuperRatings' Fund Crediting Rate Survey – MySuper Default Options

2 SuperRatings' Fund Crediting Rate Survey – Pension Options (Growth 77-90)

Fund performance

A summary of the Fund's monthly crediting rates since 1 July 2017 is set out in the following table. The returns on the Mercer Employer Super Balanced Growth Survey have been included for comparison.

Month	Account Based Pensions	MySuper Accounts	Mercer Employer Super Balanced Growth Survey Balanced Median for month
July 2017	-0.72%	-0.66%	0.0%
August 2017	0.47%	0.41%	0.6%
September 2017	0.73%	0.66%	0.8%
October 2017	3.91%	3.49%	2.3%
November 2017	1.80%	1.60%	1.3%
December 2017	0.50%	0.44%	0.5%
January 2018	0.67%	0.60%	0.8%
February 2018	0.25%	0.20%	-0.5%
March 2018	-0.99%	-0.91%	-0.9%
9 Months to 31 March 2018	**6.73%**	**5.91%**	**5.0%**

Under the Fund's Investment Strategy, our investment return objective is to generate a total net return of at least 4% above inflation over a 10 year rolling period.

The following table demonstrates the Fund's strong performance relative to the long term † investment return objective. Note that the Fund's Annual Net Return allows for all fees and costs including administration fees deducted from member accounts only applicable to JBWere and Retained members.

Year ending 30 June	Annual net return %	Moving average return (10 years) % pa	Moving average objective return target (10 years) % pa
2017	8.56	6.63	6.33
2016	4.27	7.53	6.35
2015	10.74	9.38	6.65
2014	15.56	10.46	6.76
2013	25.49	10.26	6.71
2012	-1.75	8.02	6.73
2011	8.50	8.03	6.89
2010	13.20	8.53	7.14
2009	-6.68	8.74	7.14
2008	-7.20	11.19	7.10

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

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

Super check up

Although we do not provide personal financial advice, you can use this self-help Check List to help you review your super and access some resources to help you make decisions about your super.

1. Do you know how much super you'll need when you retire?

Yes, I know ☐ Go to question 2

No, I don't know ☐

You can:

- visit the Fund website and use the Retirement planner tool which allows you to see how different choices impact your estimated retirement income.

2. Will you have enough super?

Yes ☐ Go to question 3

No, not sure ☐

For help, you can:

- visit the Fund website and use the Retirement planner
- consider making personal contributions to your super and use the **Salary sacrifice/Co-contributions calculator** to see the difference that additional contributions can make.

3. Has your situation changed?

Have you recently been married? Divorced? Had a baby? Bought a house? Had a pay rise? All these things can affect the amount of insurance cover that you may need for financial security. It's important to regularly review your insurance cover to make sure you're adequately covered throughout the different stages of your life.

- visit the Fund website and go into the 'Insurance' tab on the top toolbar to learn more about the insurance available in your Section of membership;
- apply to change your cover by downloading an 'Update Insurance Cover' form from the Member forms section under the 'Forms and publications' tab on the website.

4. Do we know who your preferred beneficiaries for your death benefit are? Are they up to date?

Yes ☐

No, not sure ☐

- Check your current beneficiaries - if we have their details, they will be listed on your benefit statement.
- To make or change a beneficiary nomination, you can do one of the following.
- Visit the Fund website and sign into your super account to make or change a beneficiary nomination. You'll need your member number (which is on your statement) and your PIN. You can update your PIN online if we have your email details. If you don't have a PIN, call the Helpline.
- Visit the Fund website and download a *Making a non-binding death benefit nomination form or Making a binding death nomination form*, or call the Helpline on 1800 025 026 to request a copy of one of these forms.

5. Are your contact details up to date?

Make sure the Fund has your correct contact details, so you receive all your super information. To receive Fund information as quickly as possible (and so we can be as environmentally friendly as possible), you can provide your email address too. You can update your details online or call the Helpline.

If you request to increase cover, you may need to provide health and lifestyle evidence and your request may be accepted or rejected by the insurer.

What rules apply for the 2017/2018 year?

The good news is there's plenty that stays the same,

Although significant amendments to Australia's superannuation rules were passed in the 2016/2017 financial year (see recap below/next page), many superannuation rules did not change for the 2017/2018 financial year, for example, the rate of compulsory employer super contributions that must be paid remains at 9.5%, and tax-free super withdrawals for over-60s is still available (up to a limit).

The key elements of the superannuation system that remain the same for the 2017/2018 financial year include:

- Superannuation Guarantee (SG) rate remains at 9.5%
- Super fund investment earnings continue to be taxed at 15%
- Super benefits for over-60s remain tax-free
- Super benefits for under-60s still receive concessional tax treatment
- Work test for over-65s remains in place
- Low Income Superannuation Tax Offset (formerly LISC) continues
- Government co-contribution scheme remains in place
- Tax treatment of death benefits will be the same, in most cases (apart from the $1.6 million transfer balance pension cap and the removal of the anti-detriment payment option)

A recap on key super changes from 1 July 2017

Changes that took effect from 1 July 2017 saw Australia's superannuation system undergo its biggest shake up in a decade.

Given these substantial changes to the rules governing superannuation, it may be worth revisiting them to examine how they will affect your superannuation and retirement plans for the 2017/2018 year, and for future financial years.

Here is a recap of the those key superannuation changes divided into two phases – contributions and retirement.

Contributions

Annual concessional (before-tax) contributions cap reduced to $25,000

Effective 1 July 2017, the general concessional contributions cap was lowered to $25,000 (for the 2017/2018 year) from the higher cap of $30,000 (for the 2016/2017 year), and the special over-50s cap of $35,000 was removed (but was in place for the 2016/2017 year).

We have now updated the 'Making a Lump Sum Contribution' form to make it easier for you or spouse members to contribute a before-tax contribution, which may be relevant if you or your spouse who is a member of the Fund receives some income from self-employed activities.

Introduction of catch-up concessional contributions over 5-year period

From 1 July 2018, unused portions of the concessional cap each year can be carried forward on a rolling basis for up to 5 years, for the annual caps applicable from July 2018, but only if you have a total superannuation balance of less than $500,000.

Annual non-concessional (after-tax) contributions cap reduced to $100,000

The $500,000 lifetime cap on non-concessional contributions was removed and replaced with an annual $100,000 non-concessional cap (NCC), which took effect on 1 July 2017. The new NCC rules also allow up to $300,000 in NCCs over a 3-year period. Important: Under the new NCC rules, you can only make non-concessional contributions if you have a total superannuation balance of less than $1.6 million.

Introduction of a $1.6 million transfer balance cap

Effective since 1 July 2017, a $1.6 million superannuation transfer balance cap has been imposed on the amount of superannuation that an individual can transfer into the retirement phase. Subsequent earnings during retirement phase will not be required to be withdrawn, or reclassified. The cap applies to existing and future retirees, and the $1.6 million cap will be indexed in $100,000 increments, in line with increases in the consumer price index (rate of inflation). Note that special rules apply to defined benefit pensions.

Tax hike for high income earners: 30% tax on super contributions

Since 1 July 2017, the 'Division 293 tax' income threshold was lowered from $300,000 to $250,000. Australians with adjusted taxable income of $250,000 or more are hit 30% with a tax rather than 15% tax on all concessional contributions.

Introduction of First Home Super Saver Scheme

With effect from 1 July 2017, the government introduced a measure to allow eligible Australians to make voluntary superannuation contributions of up to $15,000 a year, and a maximum of $30,000 over several years, to their superannuation account for the purposes of purchasing a first home.

* Note: these amounts can only be withdrawn from 1 July 2018

Retirement

Removal of tax exemption for transition-to-retirement pensions (TRIPs)

Effective since 1 July 2017, the tax-exempt status of super fund earnings supporting a transition-to-retirement pension (TRIP) was removed. Until 30 June 2017, the investment earnings on super assets financing a TRIP were exempt from tax. The removal of the tax exemption affects pre-existing recipients of TRIPs and future recipients of TRIPs.

Age Pension age increases to at least 65.5 years

The first shift upwards in Age Pension age occurred on 1 July 2017, when the Age Pension eligibility age increased to 65.5 years and will then increase in six-month increments every 2 years, until it reaches the age of 67 years from 1 July 2023.

Age Pension changes affect retirement plans

An indirect change to the super rules, but a highly significant change to the retirement plans of Australians with super savings, is the introduction of a harsher Age Pension assets test since January 2017. Rather than losing $1.50 for every $1,000 over the full Age Pension threshold as the current test applies, since January 2017 a retiree loses $3.00 for every $1,000 of assets over the full Age Pension threshold.

* General content produced by Mercer with information sourced from superguide.com.au article:
"Superannuation checklist: What rules apply for the 2017/2018 year?" December 19, 2017

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.

OVERVIEW OF CHANGES FROM THE 2018 FEDERAL BUDGET

ANNOUNCEMENTS	WHAT ARE THE CHANGES?	WHAT WILL IT MEAN FOR MEMBERS?	WANT TO LEARN MORE?
AUTO CONSOLIDATION	Superannuation funds will be required to transfer all 'inactive' accounts where the balances are below $6,000 to the ATO. Inactive low-balance accounts are expected to be those for which a contribution has not been received within the last 13 months. The first reporting date for these accounts will be 30 June 2019. The ATO will then seek to consolidate these amounts with a member's active account where possible.	The measures are expected to be of most benefit to those individuals (typically younger) who have multiple superannuation accounts with different providers. The removal of exit fees will encourage members to consolidate their superannuation, and in many cases the ATO will undertake the consolidation on the member's behalf. This is likely to reduce the overall level of administration fees being paid by the member and may increase engagement with superannuation.	READ: MORE CHOICES FOR YOUNG WORKERS. Available on the Fund website.
CHANGES UNDER THE BANNER OF 'PROTECTING YOUR SUPER'	From 1 July 2019 the annual administration and investment fees charged to members with account balances of $6,000 or less will be subject to a cap of 3% of the account balance. Superannuation funds will be banned from charging exit fees for any account.		
OPT-IN INSURANCE FOR YOUNGER MEMBERS AND LOW BALANCES	The Government has announced mandatory changes to the provision of death and disablement insurance benefits for certain member cohorts effective from 1 July 2019. From 1 July 2019, members may not be provided with death and disablement insurance on an opt-out (default) basis: if they are a new member under age 25; or while they have a "low" balance ie less than $6,000; or if their account is considered "inactive" with no contributions received in the previous 13 months.	Affected individual members will need to consider the impact of termination of insured benefit coverage if they take no action within the prescribed period and following required notices. However many affected members with cover they don't want or need will benefit from the changes.	
EXPANSION OF THE UNDERUTILISED PENSION LOAN SCHEME	Currently the Government offers a reverse mortgage scheme through the Pensions Loans Scheme (PLS) to allow people to top up their Age Pension to the maximum rate, using their home or another property as collateral. PLS participants have flexibility to start and stop receiving PLS payments as their personal circumstances change and generally repay the loan once the house is sold. The income from the PLS is non-taxable and is generally not means tested. From 1 July 2019, the Government will expand eligibility of the PLS to self-funded retirees and those already receiving the full Age Pension, and increase the maximum allowable combined Age Pension and PLS income stream to 150 per cent of Age Pension rate.	This will enable older Australians with equity in their homes (or another property) to be able to draw down on this to provide additional income to support their standard of living in retirement.	READ: PENSION LOANS SCHEME. Available on the Fund website.

ANNOUNCEMENTS	WHAT ARE THE CHANGES?	WHAT WILL IT MEAN FOR MEMBERS?	WANT TO LEARN MORE?
THE PENSION WORK BONUS WILL INCREASE FROM $250 TO $300 PER FORTNIGHT AND ELIGIBILITY WILL EXTEND TO INCOME EARNED FROM SELF-EMPLOYMENT	The Work Bonus means that the first $300 of income from work each fortnight will not count towards the pension income test. This is in addition to the income free area (currently $168 per fortnight for a single pensioner and $300 per fortnight for a pensioner couple). The Work Bonus will not apply to income associated with investment earnings.	Individuals will be able to improve their living standards through additional employment income without reducing their Age Pension.	
NEW AGE PENSION MEANS TESTING RULES FOR POOLED LIFETIME INCOME STREAMS	A new means test treatment will apply for qualifying lifetime retirement income streams purchased from 1 July 2019. These products will include immediate lifetime annuities, deferred lifetime annuities and group self-annuities, provided they meet certain limits concerning the access to these funds during retirement. For the assets test: 60% of the initial purchase price will be counted as assets until the member reaches age 84 (subject to a minimum of five years) 30% of the initial purchase price will be counted as assets for the remainder of the person's life. For the income test: 60% of all product payments will be counted as income.	Longevity products will be more attractive to many retirees as there will an immediate increase in the part pension paid when assets are used to purchase a qualifying product. The means test changes will have no impact on individuals who have already purchased a lifetime income stream, or who do so before 1 July 2019.	READ: IT PAYS TO INVEST IN AN INCOME FOR LIFE. Available on the Fund website.
SUPERANNUATION WORK TEST EXEMPTION FOR RETIREES	From 1 July 2019, people aged 65-74 with total superannuation of less than $300,000 will be able to make voluntary contributions for 12 months from the end of the first financial year in which they last met the work test. Currently, people aged 65-74 must work a minimum of 40 hours in a 30 day period during a financial year in order to be able to keep making voluntary superannuation contributions. The existing annual contribution caps will still apply, including any unused concessional contributions under the existing carry forward rules (which commence 1 July 2018).	Individuals with low superannuation balances will have the ability to build on their savings as they move into retirement, and benefit from taxation concessions on superannuation.	READ: SUPER SCHEMES: FOR SAVING UP OR SCALING DOWN Available on the Fund website.
SUPERANNUATION WORK TEST EXEMPTION FOR RETIREES	The Government will allow individuals whose income exceeds $263,157 and have multiple employers to nominate that their wages from certain employers are not subject to the superannuation guarantee (SG) from 1 July 2018.	The measure will allow eligible individuals to avoid unintentionally breaching the $25,000 annual concessional contributions cap as a result of multiple compulsory SG contributions.	

OTHER PROPOSALS/IMPLICATIONS FROM THE 2018 FEDERAL BUDGET	WANT TO LEARN MORE? Head to the Fund website to read the following articles:
Labor has proposed to abolish dividend imputation cash refunds.	READ: FRANKING MY DEAR, SHOULD WE GIVE A DAMN?
Injection of $1.6 billion funding over four years for an additional 14,000 home care packages. A range of smaller funding increases across aged care related activities including mental health services, palliative care and increased funding to fight elder financial abuse.	READ: TAKING CARE OF AGEING BUSINESS.
Personal income tax cuts implemented over a 7 year period in 3 stages.	READ: FINDING THE MIDDLE TAX GROUND.
The Turnbull government has committed to increasing compulsory employer-paid superannuation rates, beginning in three years' time.	READ: SUPER INCREASE REMAINS ON TRACK.

The Smart Money starts out Money Smart

This content is produced by Mercer for the Mercer Magazine.

Many Australians lack confidence when it comes to dealing with money.

A 2017 study by Mortgage Choice found 60% of Australians rated their overall financial knowledge as average, poor or very poor. More than 20% of respondents to the national survey said they weren't "money smart".

Laura Higgins, a senior executive at the Australian Securities and Investments Commission's MoneySmart website, says nearly every Australian engages with financial products or services, making money smarts more important than ever.

Focus after 50
People gain greater financial knowledge as they get older, with appetites for different investment strategies changing over time.

Finance and economics commentator Michael Pascoe says most people's money smarts come from a range of sources, but people are "inclined to follow others" throughout most of their life.

"Most people only seem to take a real interest in their finances when they turn 50 and suddenly see retirement on the horizon and there's not nearly as much in their superannuation fund as they would like," Pascoe says. "Until then, there's a tendency to bumble along, meeting life's expenses, dealing with the issues of having a job, obtaining a home, raising children, travel and fun."

The younger you start the better for you
Financial adviser Meg Rennie says it's true people tend to put off their finances earlier in life, but they do so at their peril.

"Times have changed and it's now much harder to cram a life's worth of saving into a few short years before retirement," Rennie says. "Your financial priorities will – and should – change as you get older and your situation changes, but having financial goals is important at every age.

"Getting started in your 30s makes it so much easier to hit your financial ambitions in your 40s – whether that's travel, starting a family or buying a home.

"And knowing your way around a budget and having a handle on your finances when you're 30 and 40 will give you the confidence to achieve your later life goals, whatever they are."

Where do we get our money smarts?
Higgins says people start forming their ideas about money, including spending and saving, from a very young age; absorbing habits and knowledge from their parents and school.

The Mortgage Choice survey found nearly 12% of adults continue to rely on family to guide them on finances.

Newspapers and daily business reports on television news provide another common source of base-line money smarts while online channels – websites, public forums and social media – are increasingly popular for those in search of information and insights on all things money.

ASIC's MoneySmart website for example, drew more than 7 million unique visitors in the past financial year.

Smarts on the shelf

For those who consider themselves financially literate but are still seeking guidance on managing their money there are dozens of magazines dedicated to money and finances, not to mention the book store.
Many people turn to well-known reads such as Robert Kiyosaki's Rich Dad, Poor Dad, Scott Pape's The Barefoot Investor and even Adam Smith's The Wealth of Nations for their money smarts.

Scott Phillips, director of research at share advisory firm the Motley Fool, says The Millionaire Next Door by Thomas Stanley is another excellent place to start, along with renowned American investor Warren Buffett's own shareholder letters, The Essays of Warren Buffett.

More advanced options to expand financial knowledge include meetings with like-minded individuals and professional financial advisers. Higgins says it's crucial to gather information from many different avenues, with unbiased sources balancing out information received from financial institutions.

Preparing for the 8000 days

This content is produced by The Australian Financial Review in commercial partnership with Mercer.

Society needs to radically rethink how people spend their retirement years because in an affluent nation such as Australia people are living longer and spending more.

The classic perception of retirement where individuals spend their whole time enjoying recreational activities after 40 or 50 years of work has become redundant. Reason being is as we live longer, our retirement years have become more like our midsummer afternoon years rather than our twilight years. This is unsustainable; especially considering less than 50 per cent of the population is on track for a comfortable retirement according to Mercer's Retirement Readiness Index.

According to the CEO of the Association of Superannuation Funds of Australia (ASFA), Martin Fahy, we are in need of a "reformation around how we conceive retirement".

"It can't just be about 30 years of leisure," he says.

"What's more we're not sure what it all means yet.
Will we be younger and healthier for longer or older and sicker for longer?
There are some big challenges ahead."

Joseph Coughlin who is the director of MIT's AgeLab suggests "we will need older workers to do the work" and says there are many misperceptions around the idea of ageing that need to be turned on their head. Chief among these is the idea that old age is a health issue which needs to be over-insured and solved rather than a "life stage to be invented".

He also cautions against the idea that we can rely on technology to lead. What we fundamentally need is to "transform ageing from a problem to be solved into an opportunity to create new markets in today's longevity economy".

Unfortunately, ASFA's Fahy suggests this conversation is not really taking place just yet and we need to "unleash some innovation in the space."

Yet while innovation is needed the majority of Australia's superannuation funds have no clear strategy as to how they plan to service their retiring membership base. In Mercer's recently released 2020 Super Fund Executive Report Change or Be Changed, 55 per cent of surveyed funds reported they had no clear strategy for managing post-retirement members.

A superannuation industry expert says the real problem is the narrative around retirement is "all about saving for retirement day."

"We forget there are [on average] around 8000 days of retirement unaccounted for combining a period of healthy living followed by a time when you're less active and finally a time when you might require high aged-care needs.

"The role of super funds is to develop a suite of post-retirement products that will allow people to navigate the complex retirement world. Super has an important role to play because it's part of the post-retirement narrative involving insurance, aged care and financial planning," expert says.

"The whole ageing industry needs to work together to build innovative products and solutions for post-retirees and super has an influential role to play."

Fahy agrees and says we need to be unafraid of hard thinking. On the income front, this probably means bringing the family home into the equation and having that release of capital not get caught in the aged care pension assets test.

"If we want to address the challenge front-on we need to understand there is interplay between superannuation, the aged pension and the family home," Fahy says. "Furthermore, we should also consider income as part of a broader suite of services needed."

Part of Fahy's concept of a reformation is about understanding retirement has a higher purpose than just leisure time.

"The gig economy is good for retirees. They can augment their incomes with Uber driving or picking up work on Airtasker or Freelancer.com. And super should be more about income and less lump sum," Fahy concludes.

Find out more about how you can reach your retirement goals by visiting the Planning tools on the Fund website at **www.gsjbw.superfacts.com** - You should seek advice from an authorised financial adviser before making any changes to your superannuation arrangements.

Investment update – the year in review

Investment market round up

Global economic growth in 2017 has been the strongest since the 2010 rebound from the depths of the Global Financial Crisis. The global economy is currently growing at its fastest pace in more than five years; and the good economic news is likely to continue into 2018.

The share rally that began in 2009 is one of the longest and largest on record; US equities for example had risen for 13 consecutive months as of November, their longest ever monthly winning streak.

A variety of obstacles, ranging from geopolitical tension between North Korea and the United States (US) continued, conflict in Spain surrounding the Catalonian referendum for independence, a Japanese election, overcoming an onslaught of natural disasters with two hurricanes in the US, earthquakes in Mexico, and flooding in South-east Asia, failed to put a dampener on the synchronised global growth that characterised the global economy in 2017.

In the US, the approval of President Donald Trump's much anticipated tax reforms provided a positive boost to growth. Manufacturing indicators showed consistent continued expansion across the US, Europe and China as the year came to a close, providing further support to economic growth.

The US Federal Reserve (Fed) raised interest rates in December, from 1.25% to 1.5%.

Domestically, the S&P/ASX 300 rose 7.7% over the final quarter and small caps lead the market, rising 13.7% for the period. The Australian dollar (AUD) was relatively stable at year end.

The Reserve Bank of Australia (RBA) has kept a close eye on the AUD, continually expressing its view that a strong AUD will be counter-productive to economic growth, as well as affecting policy decisions with no expectations for a rate hike in the short term.

Experts expect this strength to continue in 2018, with most parts of the world experiencing healthy growth. Consumer spending should remain well supported on the back of very low unemployment and slightly stronger wage growth, which has already boosted consumer confidence.

Business confidence is also at high levels, and that has led to a long-awaited upturn in investment. With high profitability and low interest rates, this is expected to continue in the New Year.

In Australia, economic growth also continues to slowly strengthen, again supported by an upturn in business profitability and non-mining capital expenditure. Despite strong employment growth, however, the outlook for consumer spending remains subdued, with households constrained by weak wage growth and high levels of debt.

Market outlook

Experts expect equities to rise modestly in 2018, largely on the back of continuing economic strength that should lead to another year of strong earnings growth in most economies. The outlook for earnings growth is a little more uncertain in Australia, but the local market will continue to be supported by a relatively high dividend yield.

It is anticipated that the Fed may look to raise interest rates three or four times over the year, which is likely to lead to further rises in US bond yields. Government bond yields elsewhere are also expected to rise, even though central banks in Europe and Asia are likely to adopt a more cautious approach to withdrawing monetary stimulus. The RBA is expected to start to raise the official interest rate by the end of 2018, but the total rise over the full cycle is likely to be relatively small by historical standards.

* Source: Mercer Investment, December 2017

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.