

INVESTMENT STRATEGY HITS THE RIGHT NOTE WITH

STRONG 2016-17 RETURNS



Despite a year of global political and economic uncertainty, Media Super's investment strategy delivered strong returns for members. Investment returns for both our super and pension (default) Balanced options finished in the top 15 Australian super funds.¹

The financial year began with investors finding their feet in a post-Brexit global economy. Australian super funds were affected short-term but losses were recovered in the following months, as the immediate impacts were predominantly confined to the UK.

Next, the world prepared for the US presidential election in November 2016, not knowing quite what to expect. Election day saw volatile share markets; however, taking their cue from Brexit, global equity markets went from strength to strength. Since then, the US equity market has reached all-time highs. In December 2016, US interest rates were increased for the first time since the GFC, signalling economic growth and inflation.

The outcome of the French presidential election in May helped to stabilise the tone of European politics and, in turn, stabilised and strengthened European economic resolve.

Theresa May's snap election in the UK in June didn't work out too well for her party, but fortunately the outcome had little impact on global markets.

Your investment returns

After comparatively low returns in 2015-16 across Australian super funds, we have achieved strong double-digit returns in the past financial year.

Our Balanced (MySuper) option – in which most members are invested – **returned 11.53%³ for the financial year to 30 June 2017**, well ahead of the median return of 10.53%.¹

The pension Balanced investment option also continues to perform strongly, **returning 12.49%³ for the financial year to 30 June 2017**, also well ahead of the median return of 11.23%.²

Media Super's Balanced (MySuper) option is well diversified across shares (Australian and international), property, infrastructure, fixed interest and cash investments, as well as various alternative investments, such as our R&D and Fulcrum film and television financing fund.

By investing in our Balanced (MySuper) investment option you also have added peace-of-mind knowing we have portfolio insurance in place, a mechanism designed to reduce the impact of losses if share markets fall heavily. We are one of the few funds that has this type of insurance in place.

The year ahead

The global economy continues to display positive economic signs, including higher growth and job creation, in both the US and Europe. Around the world, central banks are focusing on increasing interest rates to a more 'normal' level. This should be viewed positively, as the extraordinary post-GFC measures are slowly and tentatively unwound in the major economies.

Broadly speaking, economic growth is positive for asset prices, such as shares, property and infrastructure; although, given strong price rises in 2016-17, there may be limited further upside. In an environment of continuing moderate economic growth, low interest rates and low inflation, we are not likely to see another year of double-digit returns.

In any event, superannuation funds are focused on long-term investment objectives and returns. In Media Super's case, the investment objective for the Balanced (MySuper) option is CPI + 3.5% over rolling 10-year periods.

Over the past three years, we have worked to enhance our investment strategy and significantly improved our performance, in pursuit of that long-term goal.

We're here to help

Everybody's investment needs are different and if you have questions about your investment options or would like help developing an investment strategy that best meets your needs and circumstances, speak to a Media Super Financial Planner.*

You can arrange to speak to a financial planner by calling us on **1800 640 886**.

¹ SuperRatings Fund Crediting Rate Survey – SR50 Balanced options [60-76] Index, June 2017.

² SuperRatings Fund Crediting Rate Survey – SRP50 Balanced options [60-76] Index, June 2017.

³ Investment returns are not guaranteed and past performance gives no indication of future returns.

* For more details on Industry Fund Services financial planners, please see disclaimer on p.12.

MEET THIS YEAR'S GOAL KICKERS

At Media Super, we love hearing about the professional and personal achievements of our community. That's why we asked you to tell us how you've been **#kickingyourgoals** in our online competition.

We caught up with some of our winners to learn a bit more about their achievements. Here's a snippet of what they had to say.



NAOMI LISNER

#GOALKICKED

Directing her first film, *Hannah Rosenthal*, which she also wrote, produced and acted in.

'My aim is to entertain people and bring that sense of community back into our society, which I feel is desperately missing. I want the audience to walk away feeling entertained and more open-minded about people from all walks of life.'



MELISSA BRATTONI

#GOALKICKED

Performing in Skit Box's *The UTI* dance.

'It was lovely to see how well the Skit Box team worked with the crew, and how welcoming they were. It's definitely hard to keep a straight face when you're an extra in one of their sketches. I hope I get the opportunity to work with them again.'



MICHAEL WHALLEY

#GOALKICKED

Scoring the role of Perry Heslop in Sydney Theatre Company's production of *Muriel's Wedding The Musical*.

'If you love your passion, fill up your world with it. And that means exposing yourself to all types of art that makes you feel great as an artist.'



TAYLOR DENT

#GOALKICKED

Working as a sports producer for Channel Nine, Taylor achieved his long-term goal of getting his first package to air.

'In an industry with ever-tightening budgets, I've found that the more multi-skilled you are and the more you can offer, the more valuable you can make yourself.'



ARNOLD PEREZ

#GOALKICKED

Landing an associate post producer position after two years of working in Australian reality TV.

'Part of my job is literally being that fly on the wall, watching things unfold. And then working out the best way of how to tell that story.'

VISIT [YEARBOOK.MS/KICKINGYOURGOALS](https://yearbook.ms/kickingyourgoals) TO SEE MORE OF OUR WINNERS AND FINALISTS.



SUPPORTING AUSSIE R&D WITH NEW INVESTMENT

In April 2017, we launched an innovative \$30 million fund to help finance Australian research and development projects.

The revolving fund will provide loans of up to \$3 million to companies and research institutions for projects eligible for an R&D tax credit under the Federal Research and Development Tax Incentive program.

The federal incentive program is designed to encourage more companies to engage in R&D, and aims to boost competitiveness and improve productivity across the Australian economy.

Our CEO Graeme Russell said the new investment allows Media Super to provide much-needed funding for Australian R&D projects, while providing a stable return for members.

'The R&D finance facility is modelled on our successful film and television investment fund, which we run in partnership with Fulcrum Media Finance,' Russell said.

'Since 2010, we have loaned more than \$100 million to over 70 Australian productions, and loans on all completed productions have been repaid.'

'The film and TV finance facility has provided our members average returns of 6.70%^ over the past six years, and we expect to earn a higher return on the R&D investment.'

These innovative but relatively low-risk investments are part of Media Super's diverse investment portfolio, and are contributing to our strong investment performance.

Returns for both our Balanced [MySuper] and pension Balanced investment options are in the top 15 Australian super funds for the year ending 30 June 2017.*

How the investment works

The program provides tax offsets on eligible R&D expenditure for companies with an aggregated turnover of less than \$20 million a year. These companies/entities will be the main focus of the proposed financing scheme.

Media Super will provide a loan facility for eligible R&D expenditure which is repaid from the R&D tax offset refund, following the R&D entity's lodgement of its annual

'The new investment allows Media Super to provide much-needed funding for Australian R&D projects, while providing a stable return for members'

income tax return. To be eligible for funding, borrowers must have a history of qualifying for and receiving R&D tax credits.

Similarly to the partnership with Fulcrum Media Finance, Media Super has no active involvement in making decisions on which projects to support – these are made by Paddington Street Finance, who manage the selection process.

The R&D Tax Credit regime is administered jointly by Innovation Australia (with the assistance of AusIndustry) and the Australian Taxation Office. You can find out more about the R&D Tax Incentive program, including eligibility criteria at www.ato.gov.au.

^ Investment returns are not guaranteed and past performance gives no indication of future returns.

* SuperRatings Fund Crediting Rate Survey – SR50 Balanced options [60–76] Index and SRP50 Balanced options [60–76], June 2017.



Staying down to earth WITH YOUR SUPER

The last year has seen a plethora of 'good' and future-focused (tech) super funds spring up, touting transparency and vowing to put your super to 'good use' or 'invest in the future'.

But before you get caught up with all the slick marketing and promises, it's important to take a step back and look what's underneath. Considering how fees add up and what the investment objectives are against performance could make a big difference to how much is actually in your account when you finally retire.

Investing in the past, present and future

If you want a high dose of tech to invest in, our High Growth investment option gives you exposure to household brands such as Alphabet (Google), Apple and Facebook. Additionally, our High Growth option is diversified across lesser-known but well-established tech brands which have a proven track record to get the best returns for our members.

In looking to the future, we realise the world is facing challenges of evolving communities and demographic change. Paddocks continue to turn into towns, creating an urgent need for new roads, shopping centres and public transport.

This provides an opportunity to diversify your super investment through property and infrastructure. These might not sound as exciting as virtual reality or driverless cars, but property and infrastructure help our communities grow, produce stable income and, historically, have provided great returns for your super account.

Socially responsible investing

Environmental, social and corporate governance (ESG) considerations are important in making investment decisions. Companies that ignore these considerations risk business losses, financial penalties; even total failure if a company's 'social licence' is withdrawn.

At Media Super we, and our investment managers, are alert to these risks.

We work with other industry funds through the Australian Council of Superannuation Investors (ACSI) to research, monitor and manage environmental, social and corporate governance investment risk. Media Super and ACSI believe in actively engaging with companies to improve their practices (thus mitigating the risks).

Media Super is also a signatory to the Principles for Responsible Investment (PRI) and work through the PRI to monitor and manage ESG risk in international investment markets.

Some members want their super to be invested specifically in socially responsible companies. Media Super's Sustainable Future Shares option provides that opportunity. It is a high-growth oriented investment strategy focused on investing in socially responsible Australian companies.

Members can also choose the companies that their super is invested in through our Direct Investment option. In this option, members can invest their super in any ASX300 company or a range of Exchange Traded Funds (ETFs) and term deposits of their choice.

Keeping our fees grounded

Media Super has some of the lowest fees in the industry. For an account balance of \$50,000 invested in our Balanced (MySuper) option our fees add up to only \$430 a year¹, compared with the median across all funds of \$513 a year.²

Some new super funds' fees are upwards of \$900 a year for a \$50,000 account. This is concerning when you consider even a one per cent difference in fees could add up to a 20 per cent difference in your balance in 30 years.³

When comparing funds, look closely at the total fees, including annual member, administration and investment management fees (depending which option you invest in).

'You get what you pay for' might be true for household appliances or cars, but it doesn't always apply to super funds – higher fees may not equal better investment performance or retirement outcomes for you.

Great returns for you, not shareholders

Media Super is run *only* to benefit members. All profits go back to our members – strengthening your investment returns, which often outperform funds that are run to generate profits for their shareholders.

For 2016-17, our Balanced (MySuper) investment option returned 11.53%⁴ for our members, a great return placing us in the top 15 Australian super funds for the financial year. See p.2 for details.

We've been looking after our members' super for more than 30 years, and will continue helping you work towards your retirement goals. And we'll keep evolving – building on the past and present, and investing in the future – while maintaining a well-diversified investment strategy. We'll keep your best interests at heart, so you can fly into retirement.

¹ Media Super Member Guide Product Disclosure Statement

² SuperRatings, 2016

³ MoneySmart (www.moneysmart.gov.au/superannuation-and-retirement/how-super-works/super-fees)

⁴ SuperRatings Fund Crediting Rate Survey – SR50 Balanced options (60-76) Index, June 2017

1987-2017

CELEBRATING 30 YEARS OF MAKING A DIFFERENCE

As the industry super fund for the print, media, entertainment and arts industries, we've been proudly providing super and pension products to our members since Bob Hawke was prime minister!

Back then we were called JUST and Print Super, which merged to form Media Super in 2008.

For three decades, we've been through both the good and the bad with you, as each of our industries has gone through significant changes and faced unique challenges.

But our commitment runs deeper than that – we've been proudly supporting your industries through partnerships, talent programs and awards to help you excel professionally. And we look forward to continuing to support you, celebrating your achievements, and ultimately helping you save for your retirement in the years to come.

Until then, find out why some of our original longstanding JUST and Print Super members believe super is so important.



'There's never a good time to retire, but I was lucky that I had the super to do it.'

Kelvin Thompson
member since 1989

As he started to get older, Kelvin began to take more notice of his super, and then he started making contributions from his before tax pay, (known as salary sacrificing). 'When I got a pay rise, I didn't need the money, so I put it into my super, and then I really saw a difference – I saw my account go up by thousands!' Like many in the rapidly changing print industry, Kelvin was unfortunately made redundant earlier this year. 'There's never a good time to retire, but I was lucky that I had the super to do it.'



'It's so vitally important to think ahead about your retirement, especially in the years when your earning potential is highest.'

Simon Burke
member since 1987

Simon was fortunate to learn the importance of super at a young age when he overheard an older actor being told 'I regret to say, the introduction of super won't make a difference to your retirement as it's being introduced as you near the end of your working life.' This really hit home and made him think, 'It's so vitally important to think ahead about your retirement, especially in the years when your earning potential is highest.'



'I'm glad I was with Media Super when the demerger happened - the others got no help from their bank fund.'

Darren Travis
member since 1988

Originally a member of Print Super, Darren's glad he's stuck with an industry super fund throughout his career. A few years ago, his workplace underwent a demerger, and as a result, he saw a lot of his workmates lose the defined benefits they had through their corporate super fund. 'I'm glad I was with Media Super when the demerger happened - the others got no help from their bank fund.' Until he retires, he plans to keep salary sacrificing. 'It's something my Dad made me do. Dad said, "You won't see the money, so you'll get used to it". And I did - I don't miss it.'

'I've always relished my financial independence and security, and I desperately wanted to support myself.'

Kay Stewart
member since 1987

Having been a freelance writer and illustrator since 1979, Kay has had to pay herself super since she first became a member in 1987. A colleague of Kay's initially encouraged her to set up her super and start paying contributions into her account. And before long, Kay could see the benefits of committing to it. 'I've always relished my financial independence and security, and I desperately wanted to support myself. I wanted to know that I wouldn't need to rely on anyone in retirement, if possible.'

**AS AT 30 JUNE 2017,
OUR COMMUNITY IS**

80,000
MEMBERS STRONG WITH

\$5 BILLION
IN FUNDS UNDER MANAGEMENT

READ THE FULL STORIES AT YEARBOOK.MS/30YEARS

CHANGES TO SUPER

HOW WILL THEY AFFECT YOU?

On 1 July 2017, the Government's super changes came into effect. Some of the changes now make it easier for you to boost your super for retirement and save on tax, and some changes may mean you'll need to keep a closer eye on your super.

Earn under \$37,000? Get up to \$500 from the government

The low income super tax offset (LISTO) means that workers earning less than \$37,000 a year can expect a refund of 15 per cent of their yearly concessional (pre-tax) contributions, up to a maximum \$500.

It's easier to get a tax-deduction on extra super contributions

Most people under 75 are now able to make extra concessional contributions to their super fund and claim a tax deduction on those extra contributions come tax time. This eases the hassle of setting up salary sacrificing, and helps those who work sporadically or don't have access to salary sacrificing arrangements. This is capped at \$25,000 a year, which includes the contributions your boss pays into your super.

Make a contribution to your partner's super fund

If your spouse earns less than \$40,000 a year, you can now top up their super and claim a tax deduction of up to \$540 per year. Any contribution you make today means that you'll have a bigger combined super balance when you reach retirement.

Before-tax contributions capped at \$25,000 a year

Contributions made before your pay is taxed (known as concessional contributions) are now capped at \$25,000 a year for all individuals, regardless of your age. This cap includes your employer contributions, additional before-tax contributions (known as salary sacrificing) and any after-tax contributions you claim a tax deduction on.

After-tax contributions capped at \$100,000 a year

After-tax, or non-concessional contributions, are now capped at \$100,000 per year. If you're under age 65 you're still able to use the 'bring-forward' rule and contribute up to \$300,000 in any three-year period. This is handy for any large sums of money you might receive from, for example, the proceeds of selling a property, a bonus or an inheritance.

Lifetime cap on transfers to retirement income accounts

A cap of \$1.6 million now applies to how much super you can transfer into retirement income accounts over your lifetime. So if you have more than that in your super account when you retire, you'll need to leave the excess in super or withdraw it as a lump sum.

TO FIND OUT MORE

Visit mediasuper.com.au/superchanges or call the Super Helpline on 1800 640 886.

SMART & SIMPLE SUPER TIPS

Whether you're just starting out in the workforce, beginning to think about retirement or you're trying to get your kids to take notice of their super, our Media Super Minutes videos can make super simple in just a few minutes.

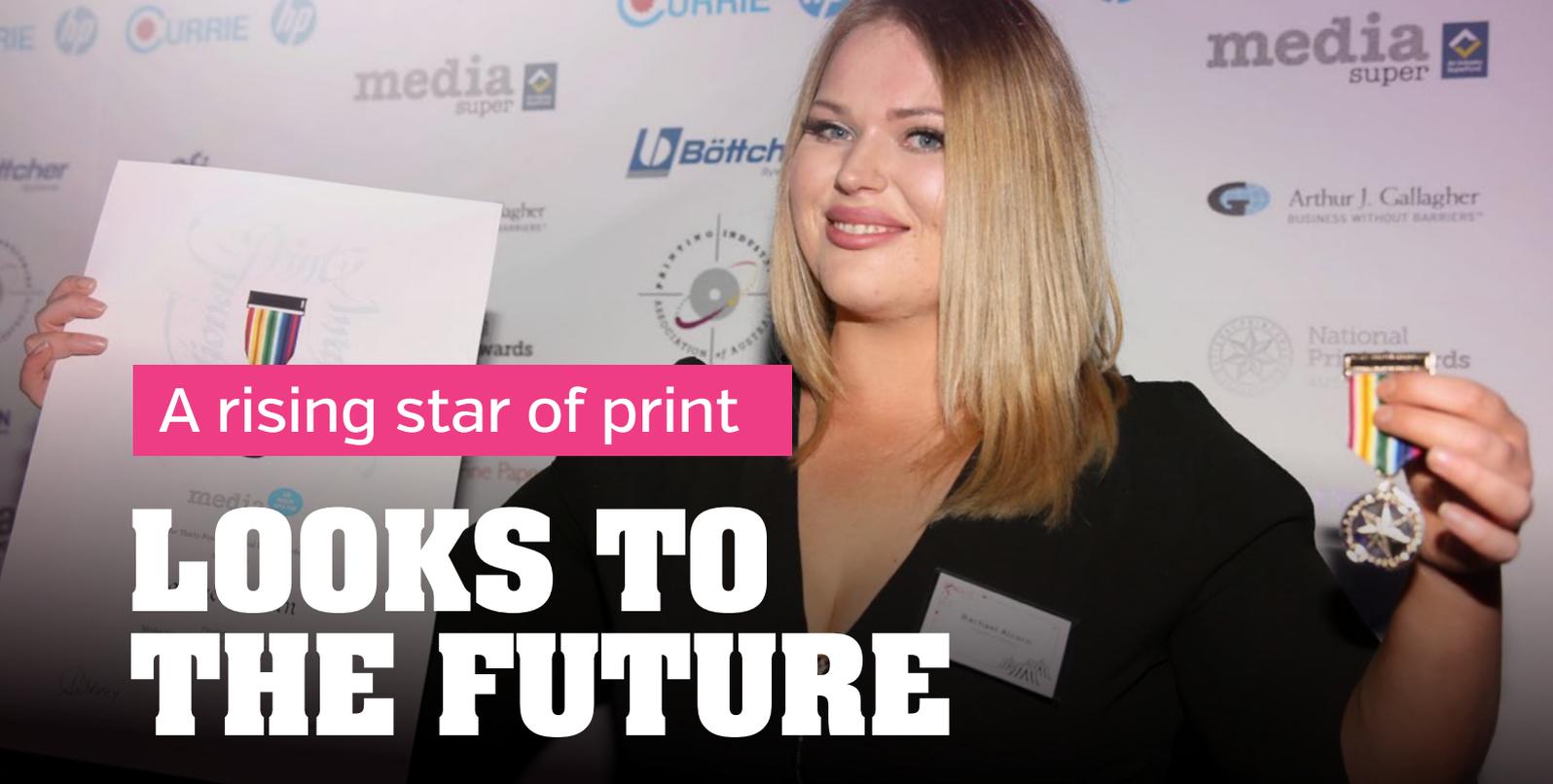
THERE'S SOMETHING FOR EVERYONE.

Our range of topics include:

- What is super?
- How much super will you need?
- How to grow your super
- Transferring super
- Insurance
- Government co-contributions
- Changing jobs
- Women and super
- Super for freelancers and the self-employed
- Over 50s – 5 steps to a better future



MEDIASUPER.COM.AU/VIDEOS



A rising star of print

LOOKS TO THE FUTURE

Racheal Alcorn, newly crowned Young Executive of The Year at the 2017 Media Super National Print Awards, tells us how she got to where she is, and why she's excited about the future.

In the short time she's worked in print, Racheal has already turned her hand to several areas of the industry, and it's a path that seems to be paying dividends.

'It's best to be involved in as many areas of print as possible and learn as much as you can. It makes you more well-rounded,' she said. 'The administration role has really helped me understand all the different processes, so I can identify where a job needs to go straight away and choose the most efficient way of getting it printed.'

A WINNING ATTITUDE

After completing her apprenticeship in 2015, Racheal was offered a screen-printing job 'on-the-spot' by Jaybro, a local supplier of civil and construction industry products who could see the knowledge and passion Racheal had for printing.

Two years later, after progressing to print production administration and scheduling, an offer came her way to work for Superior Safety, a company that produces hi-vis work clothes.

She accepted the challenge and before long suggested they buy their own screen-printing machine, saving them thousands and providing greater flexibility for their customers. It has been this sort of problem solving that's got Racheal noticed.

'Whatever industry you're in, you should be working towards improvements, thinking about reducing costs, maximising productivity and enhancing all round performance,' she told us. 'It's important to keep advancing and coming up with new ideas, staying relevant. Especially in the print industry, because technology does creep up quite fast.'

'I'm always researching new technologies. It's something that I like doing anyway. I'll go to my boss and say "I think this could work for us".'

THE EXTRA DIMENSION

That said, what does she think are the most interesting things happening in the industry today?

'I think a lot of people in the print industry are excited about 3D printing. What it's capable of now and in the future. It could affect so many different areas.'

Are there any other innovations she wishes were around the corner?

'Well, directly related to my area of work, it would be great if someone could invent a printer that prints plastisol transfers. It would be difficult because plastisol ink is so thick, but it might be possible.'

For those of us not in printing, plastisols are the most commonly used inks for printing designs onto garments.

'I'd also like to see a fabric that's compatible with any kind of printing – direct to garment, screen-printing, even sublimatic. A blend that's more compatible and more versatile.'

She also enthuses about how digital and print are supporting each other more frequently these days. Cloud computing is 'making the communication process a lot more efficient' and brands are embracing the exciting marriage between old and new mediums, as with Coca Cola's 'Share a Coke' campaign.

'Sales went crazy. Everyone wanted their name on a can and to be seen with it, so it became a trend. Print and digital media went hand-in-hand. It was a very smart marketing tactic. Vegemite and some other brands have run similar style campaigns.'

LOOKING TO THE FUTURE

The resurgence of 'old school' printed material and continued use of printing over digital in other key areas also pleases her. She concludes, 'Print will always be around. People prefer to sit down with a printed book rather than a tablet. Printed catalogues are still more efficient than digital marketing and you're more likely to look at something that you've received in the post. Car wraps are on the increase. Then there's signs, banners and there'll always be a need to print clothing.'

'I'm very optimistic about the future of printing and I'm interested to see how far new innovations like 3D printing can go. It's definitely the industry I plan to stay in.'

THE MEDIA SUPER COMMUNITY

JANUARY-JUNE 2017

HONOUR ROLL

You're part of a community of talented people. As your industry super fund, we're committed to nurturing talent and helping our members succeed. That's why we support programs and awards that celebrate our talented members.

GREEN ROOM AWARDS

- ★ Female Performer [Theatre Companies] – **Rose Riley**, *The Glass Menagerie* [Belvoir, Malthouse Theatre]
- ★ Male Performer [Theatre Companies] – **Rory Kelly**, *Trevor* [Red Stitch Actors' Theatre] [10]

THE ADG AWARDS

- ★ Best Direction in a TV or SVOD Comedy Program: **Matthew Saville**, *Please Like Me – Burrito Bowl* [Series 4, Episode 5]

FILMBITES

- ★ Media Super Outstanding Achievement & Commitment Award
Senior – **Jordan Paolillo, Connor Fantasia-Serve, Sam Dunlop and Blake Hay**
Junior – **Bethan Peters and Piper Gage** [1]

MEDIA SUPER NATIONAL PRINT AWARDS

- ★ Young Executive of the Year – **Racheal Alcorn** [Superior Safety] [9]
- ★ Industry Legend – **Dudley Scott** [Scott Print] [6]

SOUTH AUSTRALIAN MEDIA AWARDS

- ★ Radio News & Current Affairs or Feature – **Caroline Winter**, 'Statewide Blackout', *ABC PM* program [3]
- ★ Best Television Broadcaster [Presenter, Reporter or Camera Person] – **Alex Mann**, *Body of Work*, *ABC 7:30* [7]

EQUITY ENSEMBLE AWARDS

- ★ Outstanding Performance in a Drama Series – **Cleverman Series 1**: Hunter Page-Lochard, Rob Collins, Iain Glen, Frances O'Connor, Deborah Mailman, Tasma Walton, Rarriwuy Hick, Ryan Corr, Stef Dawson, Tysan Towney, Tony Briggs

TASMANIAN MEDIA AWARDS

- ★ Best News Image – **Matthew Growcott**, Moonah Siege, *WIN News Tasmania* [4]
- ★ Best News Story – **Richard Baines**, 'Letting the Most Vulnerable Down – Tasmania's Child Protection Woes', *ABC* [2]

FLICKERFEST

- ★ Media Super Award for Best Screenplay in an Australian Short Film – **The Eleven O'Clock**
Writer: Josh Lawson
Director: Derin Seale [8]
Producers: Derin Seale, Karen Bryson, Josh Lawson

AUSTRALIAN BOOK INDUSTRY AWARD

- ★ Publisher of the Year – **Pan Macmillan Australia**

SOUTH AUSTRALIAN COUNTRY PRESS AWARDS

- ★ Digital initiative: **The Northern Argus**, 'Balaklava Races Fanciest Fillies and Colts Initiative' [5]

SEE THE FULL HONOUR ROLL WWW.YEARBOOK.MS/HONOUR-ROLL



WEAR MEDIASUPER YEARBOOK BOOK 17

Explore the highlights of 2016-17, be inspired by the stories of your fellow members, find out just how Media Super is working for you, and much, much more.

WWW.YEARBOOK.MS

Super Helpline
1800 640 886
mediasuper.com.au



Print. Media. Entertainment. Arts.

Superannuation. Insurance. Retirement. Financial Planning.

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* Media Super has engaged Industry Fund Services (IFS) ABN 54 007 016 195 AFSL No 232514 to facilitate the provision of financial advice to members of Media Super. Advice is provided by one of our Financial Planners who are Representatives of IFS. Fees may apply. Further information about the cost of advice is set out in the relevant Financial Services Guide, a copy of which can be obtained by calling IFS on 1300 138 848. IFS is responsible for any personal advice given to you by its Representatives.