

INSIDER

SPRING 2019

MEDIASUPER



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GROWTH AND STABILITY THROUGH UNCERTAIN TIMES

We've seen a year of more tinkering with Australia's superannuation system, while we work and invest through an increasingly uncertain global political and economic environment. Despite these challenges, Media Super has stayed on course, been vigilant about monitoring risks, and again delivered solid results for our members.

I'm very proud of our investment returns, with the pension Balanced option ranking fourth for the financial year, according to ratings agencies SuperRatings.¹ You can find full details on the next page.

This year Media Super reached \$6 billion in funds under management, meaning we've doubled in size in a few short years. As our fund grows, we're able to provide members with improved services and increase our investment back into our industries.

You can read about three great new initiatives helping to bring Australian stories to life on page 6. Our financing of local film and TV productions is continuing strongly and we doubled our investment in the Australian Chamber Orchestra's Instrument Fund,

helping to acquire a 430-year old 'Golden Age' violin.

Over the past year we've boosted our Helpline and advice services, and between our e-advice, Helpline Advisors and Financial Planners, we're able to meet our members' needs at any stage of their working life. We're also developing a financial wellbeing program that will complement our advice and will help members confidently plan ahead throughout their lives.

Providing members with a feeling of confidence is especially important in the aftermath of the Royal Commission into Banking, Superannuation and Financial Services. As the head of a fund run only to benefit members, it was very disturbing to see the impact on hardworking Australians' retirement savings resulting from the unscrupulous actions of some funds. The Federal Government has already legislated to provide some greater protection for super fund members – the Protecting You Super Package.

The Royal Commission also prompted a lot of people to re-examine who they could trust with their super, and tens of thousands moved their super savings to an industry super fund. To new members of the Media Super community, welcome!

In the years ahead it's likely we'll see more changes to the super system, as political and policy debate continues. No matter the changes, we will continue to work hard to achieve strong long-term investment returns and provide services to help our members feel confident for the years ahead.

1. SuperRatings Fund Crediting Rate Survey – SR50 Balanced options (60-76) Index, June 2019.



2019 ANNUAL MEMBERS' MEETING



Media Super members are invited to attend the 2019 Annual Members' Meeting that will be held in Sydney CBD on the evening of Monday, 28 October. We will provide an update on our performance and activities, and members will have the opportunity to ask questions.

We will also livestream the AMM for members outside of Sydney or who aren't able to attend.

Full details are available at the below web page. Please register your interest to attend or view the AMM online. You can also use the form to lodge your questions.

 mediasuper.com.au/amm

STRONG INVESTMENT PERFORMANCE FOR TOP 5 FINISH

Media Super has ended the financial year with a strong investment performance for our members, with the pension Balanced option ranked fourth, according to SuperRatings.¹

Five years ago we reviewed and made significant changes to our investment strategy, including putting in place portfolio protection. While we've made changes and improvements to our portfolio, we've stuck with this strategy, confident it would lead to strong returns and we're pleased that our strategy is continuing to provide great results for members.

YOUR INVESTMENT RETURNS FOR 2018-19

The pension Balanced investment option **returned 9.87%² for the financial year**, well ahead of the median return of 7.95%.¹

It's also performing well longer term, **ranking fifth over three years and tenth over five years.**¹

Media Super's Balanced options are well diversified across shares (Australian and international), property, infrastructure, fixed interest and cash investments, as well as various alternative investments, such as our Fulcrum film and TV financing fund.

By investing in our Balanced investment option you also have added peace-of-mind knowing we have portfolio protection in place, a mechanism designed to reduce the impact of losses if share markets fall

Looking ahead, we are confident our Balanced investment strategy is well positioned to continue meeting our long-term investment objectives for your pension.

heavily, as they did numerous times throughout the last financial year. We are one of the few funds that has this type of protection in place.

Looking ahead, we are confident our Balanced investment strategy is well positioned to continue meeting our long-term investment objectives for your pension.

WE'RE HERE TO HELP

If you'd like to discuss your investment options or have any questions, please call our Helpline on **1800 640 886.**[#]



INVESTING YOUR MONEY RESPONSIBLY

We understand that our members have expectations not only about the investment outcomes we achieve for them, but also that we invest their money responsibly.

We have developed a set of investment beliefs that guide our decisions about how we invest our members' money. Recognising the significant investment risks posed by climate change, Media Super has also developed a Climate Change Position Statement. The statement covers our approach to managing climate change risk across our portfolio and how we're practically implementing this.

As a large investor, we recognise our responsibility and ability to positively impact climate change outcomes.

We have committed to investing \$330 million into renewable energy and environmental investments over the next three years, along with local innovation and infrastructure, and our member industries.

More information is available at mediasuper.com.au/esg.

We will provide regular updates about our ESG initiatives on the Media Super website and member communications.

1. SuperRatings Fund Crediting Rate Survey – SRP50 Balanced options (60-76) Index, June 2019.
2. Investment returns are not guaranteed and past performance gives no indication of future returns.



A SIMPLER WAY TO APPLY FOR THE AGE PENSION

Many retirees find applying for the Age Pension complicated and frustrating. Recent studies published by National Seniors Australia¹ highlight how widespread the problem is – 82% of people don't feel confident completing the application alone and seek assistance.

At Media Super, we understand how important the Age Pension can be and want to help make the process easier for our members. That's why we've partnered with Retirement Essentials, a service that helps people determine how much they're entitled to and streamlines the application process.

Rather than dealing with hundreds of complicated questions and multiple visits or calls to Centrelink, you'll go through a simple online process and make just one stress-free trip to Centrelink.

How does it work?

First, check what you could be eligible for using the Retirement Essentials Age Pension Calculator. It applies the latest rules to give you a quick, free, anonymous assessment. When you're ready to apply, Retirement Essentials will guide you through the steps you need to take to submit your application to Centrelink.

Once you've answered all the questions, Retirement Essentials finalise your application, making sure nothing has been missed, and post your completed forms to you. They'll also provide you with a list of all the supporting documents you need to submit the application so you're fully prepared for your Centrelink appointment.

And if you have any questions or need help at any stage of the process, Retirement Essentials' Age Pension Specialists are available over the phone and online chat.

Ongoing Age Pension support

Retirement Essentials will help you keep your Age Pension entitlements by providing you reminders when it's time to update Centrelink and informing you of government changes that may affect you.

You also have ongoing access to their Age Pension Specialists if you have any questions or ever need a bit of help.

Special offer for Media Super members

As a Media Super member you'll receive \$50 off the usual \$330 application fee when you apply for the Age Pension through Retirement Essentials. Just apply the promo code MEDIA at the checkout (valid until 31 December 2019).

And if you go through the process and find you aren't eligible for the Age Pension, Retirement Essentials will give you a full refund of your application fee. You can find full terms and conditions on the Retirement Essentials website at retirementessentials.com.au.

THE BENEFITS ARE CLEAR

- ✓ **Be confident** that you're getting all your Age Pension entitlements.
- ✓ **Feel supported** and in control of your money, Age Pension Specialists are waiting to help you.
- ✓ **Save time** – Apply from the comfort of your own home and at your pace.
- ✓ **No more confusing paperwork.**
- ✓ **Avoid Centrelink frustration** – no more 'back and forth'.

For more information on how Retirement Essentials can help you, visit mediasuper.com.au/SimplerAgePension

1. *The Centrelink Experience: From 'waiting, frustrating, hopeless' to 'helpful, friendly, positive'*. A report by National Seniors Australia & Retirement Essentials, June 2018.

Media Super does not recommend, endorse or accept responsibility for this product or service. A copy of the Retirement Essentials Terms & Conditions, Financial Services Guide and Privacy Policy is available at <https://retirementessentials.com.au>. Media Super does not accept liability for any loss or damage caused by the products and services provided by Retirement Essentials. Media Super does not receive any commissions from this organisation as a result of members using their products and services.

GET CONFIDENT

People seek advice for a lot of different reasons but it boils down to one thing – we all want confidence in our financial wellbeing. Especially when you've retired, you want to know your income will keep you comfortable, healthy and happy.

How can we help?

Our Helpline Advisors[#] can provide you with projections of how long your retirement income is likely to last and talk through your investment options to help you find the one that's right for you.

If that's all the advice you need right now, great! But if you need more complex advice they'll refer you to one of our Financial Planners.*

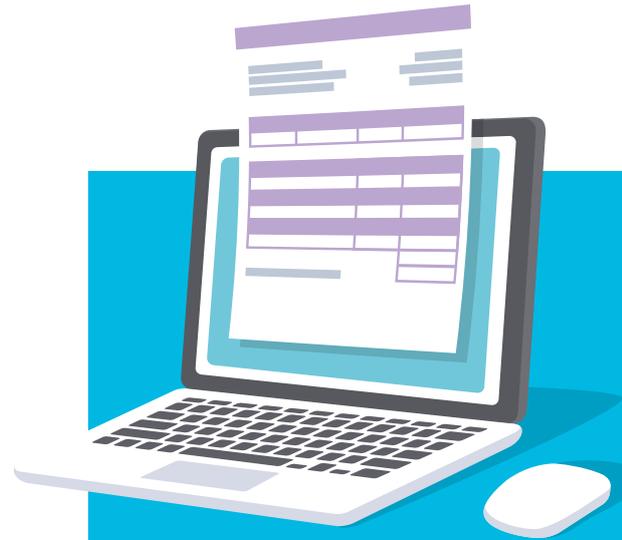
Our Financial Planners understand all the considerations that go into managing your money in retirement. They'll consider not only your Media Super account but also your other assets and income, and explore options like the downsizer contribution, the Age Pension and other Centrelink benefits to help you maximise your retirement income. And over the years they can work with you to adjust your plans as your life changes.

At Media Super, we're committed to providing you with high-quality, valuable advice and our planners will only suggest financial advice if they're confident it will improve your situation

and is in your best interest. Your first consultation is at no cost to you and your planner will provide you with a fixed price quote to consider before proceeding with any advice. Media Super Financial Planners do not receive commissions and there are no ongoing advice fees. You only pay for the advice you receive.

To get started or to find out more about the advice available to you, call our team on **1800 640 886**.

We're committed to providing you with high-quality advice.



NEW PROCESS MAKES ANNUAL PAYMENTS EASIER FOR YOU

We've introduced a new process to make selecting your annual payment easier and more accurate.

In past years, we've sent you an estimate of your new minimum amount to make a decision. This caused issues for some members.

This year, we automatically adjusted new minimum payment amounts for Pension and Transition to Retirement members by 6 July to ensure they meet the new minimum.

For members with a 'nominated' payment amount, we have only adjusted your payment if it fell below the new prescribed minimum.

If you want to review or change your payment amount or frequency, you can easily do this by logging in to your account at mediasuper.com.au or by calling the Helpline on **1800 640 886**.

You can also request a Centrelink Schedule at any time by logging into your account or calling the Helpline.

INVESTING IN AUSTRALIA'S STORIES



As part of Australia's creative community, we're committed to working with industry partners to help them build vibrant, robust sectors. This past year we've supported three great new initiatives.

Bringing diverse voices to the silver screen

Media Super has joined Screen Queensland, SBS, Madman Entertainment and The Post Lounge to launch the R.I.D.E Feature Film Fund. R.I.D.E [which stands for Respect, Inclusion, Diversity and Equality] will provide the opportunity for up to six Queensland creative teams to develop and produce feature films over the next three years.

Australians are great storytellers and R.I.D.E will empower filmmakers from a wide range of backgrounds to tell stories that not only reflect the diversity of our community but will appeal to global audiences.

Our modest investment in the fund builds on our successful investment in Australian film and TV productions through our \$80 million revolving cashflow financing fund. In partnership with Fulcrum Media Finance, we have supported more than 150 productions over the past nine years.

The first round of applications closed in August and we're excited to see what the first successful R.I.D.E recipients create.

Investment treads the boards

With success on the small and silver screen, Media Super is taking our investment to the stage, with a \$2 million revolving fund for live theatre investment.

Our first foray into theatre was the wildly popular *Muriel's Wedding The Musical*, which was a runaway success, followed by family favourite *Charlie And The Chocolate Factory – The Musical*.

Bringing a production to life is no easy feat and, as well as earning investment returns for our members, the live theatre fund will help more Australian productions reach the stage, providing greater opportunities for performers and crew to ply their craft at home.

Opportunities for a new generation of journos

More than ever, it's vital that our young journalists have the opportunity to gain the experience needed to sustain a strong Australian media. Media Super has partnered with The Walkley Foundation and Channel Seven to provide a 12-week scholarship to an aspiring young journalist, giving them the opportunity to develop a deeper understanding of what it takes to bring the news to air.



Amy Clements [pictured above] from the University of Melbourne was announced as the inaugural recipient of the scholarship at the Walkley's Mid-Year Celebration in June.

Amy says, 'In an industry where cadetships and traineeships are scarce, the scholarship creates an entry level pathway for young journalists seeking to immerse themselves in the world of television production.'

'There's only so far formal studies can take you and I'm excited to be able to learn about news and current affairs "on the job" – an opportunity which would have been otherwise inaccessible without the help of Media Super.'

NEW NO-FRILLS INVESTMENT OPTION

INDEXED BALANCED



A new low cost, no-frills investment option is now available to members, with the introduction of the Indexed Balanced option on 1 July.

Everyone from billionaire Warren Buffet to the Barefoot Investor, Scott Pape, has talked about indexed investment options, but what are they and are they right for you?

What is an indexed investment?

An indexed investment is passively managed, investing by certain criteria to mimic another investment strategy but without the active decision making. For example, you can invest in an index for the ASX200 – you'll be invested in whichever companies are in the ASX200 at any particular time, with the composition only changing if the companies in the ASX200 changes.

How Media Super's Indexed Balanced option compares

Indexed balanced funds are invested in a mix of asset types, but are less diversified than a traditional balanced option, aiming to provide a moderate investment return. Media Super's Indexed Balanced fund is one of the more diversified low cost options available, as it includes investments in emerging markets equities, listed property and listed infrastructure.

The Barefoot Investor has suggested using a low cost indexed option to achieve what he refers to as an 'SMSF Lite' strategy – low cost with ultimate

control. By combining an indexed option with a direct investment product, you get the best of a self-managed super fund (the ability to directly invest in shares) and the best of a traditional super fund (low compliance costs and hassle). Media Super members can achieve this by combining the Direct Investment option with the new low cost Indexed Balanced option.

Thinking of changing investments?

Everyone's investment needs are different based on your age, financial circumstances and comfort with risk. The Indexed Balanced option may be a great low cost option for some members, especially if paired with Direct Investment, but may not be the right risk/return mix for other members.

Before you make a decision to change, it's a good idea to give our Helpline a call on **1800 640 886** and talk through your options and any questions you may have.

See the *Pension Guide* and *Direct Investment Guide* at mediasuper.com.au/pds for details.

CHECK YOUR DETAILS FOR PEACE OF MIND

If you're reading this, it looks like we have your current postal address – but what about your email and phone number?

We often need to contact members to let them know about important changes that may affect their account, such as legislation changes or how your annual pension payments are calculated.

Plus we do our best to let members know about updates on your investment returns, how we're working for you, and tips and education to support you through retirement.

It just takes a few minutes to log into your account at mediasuper.com.au and update your details. Or give our Helpline team a call on **1800 640 886** to update them over the phone.

Super Helpline
1800 640 886
mediasuper.com.au



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Superannuation. Insurance. Retirement. Financial Planning.

This newsletter contains general information and does not take into consideration your personal objectives, situation or needs. Before making any financial decisions you should first determine whether the information is appropriate for you by reading the *Product Disclosure Statement* and/or by consulting a qualified financial adviser. Issued September 2019 by Media Super Limited [ABN 30 059 502 948, AFSL 230254] as Trustee of Media Super [ABN 42 574 421 650, USI SUPER 42574421650001, USI Pension 42574421650799].

* 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 Authorised 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 Authorised Representatives.

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