Inside this issue:

- The millennial investment question
- Introducing your new MemberOnline
- An update on FlexiChoice
- Comprehensive advice—what to expect
- Changes to super

The psychology of saving

Changing the way we educate

CONGRATULATIONS UNISUPER MEMBERS, WE’RE SUPER FUND OF THE YEAR ... AGAIN!

See page 1 for more
Message from the CEO

I’m delighted to bring you the August edition of Super Informed, following another eventful six months that saw us awarded our second consecutive Super Fund of the Year Award from leading ratings agency, Chant West. This is something no other super fund has achieved, and follows our Conexus Super Fund of the Year Award in March.

Of course, we recognise that what matters most to you is not the awards we’ve won, but what’s in your pocket at retirement. Nonetheless, I’d like to thank the entire team at UniSuper for their hard work and dedication to providing greater retirement outcomes for our members.

As we embark on a new financial year, we’re using this edition of Super Informed to reflect on ‘change’—sharing stories of members embracing change in their daily lives and looking at some innovative changes we’re making at UniSuper, including launching the new MemberOnline site.

CHANGE AND SUPER

The old adage ‘change is the only constant’ certainly seems to apply to super at the moment.

At the time of printing, the outcome of the Federal Election was undecided—so it’s likely there’ll be an interim period of uncertainty in relation to superannuation policy.

Whatever the election outcome, we remain focussed on providing greater retirement outcomes for you, and will continue to monitor developments as they unfold.

You’ll find more information on page 20.

INVESTMENTS

In our Spotlight on investments flyer—included in your statement pack—our Chief Investment Officer John Pearce reflects on the highs and lows of the past financial year. He also takes a look at the recent investment performance of our Defined Benefit Division (DBD)—a good news story about how our ‘fortress assets’ have bolstered the DBD’s recent performance.
UNISUPER ON-CAMPUS
I’m very pleased that our on-campus service, which started in Sydney back in October 2013, has been so strongly embraced by members.

This speaks volumes about something we all know—sometimes it’s just easier to talk to someone face-to-face. With on-campus consultants now available at over 80 locations, including 30 permanent sites across Australia, it’s never been easier to seek help, information or general advice about your UniSuper membership.

You can make an appointment with a consultant at your campus or at one of our member centres at unisuper.com.au/campusbookings.

FLEXICHOICE
In the February edition of Super Informed, we announced plans to introduce FlexiChoice as our new default product for eligible UniSuper members. Work behind the scenes continues and we’re tracking well towards an anticipated launch during the 2017/18 financial year. Turn to page 15 to find out how you can stay informed about our progress in the lead-up to the introduction of FlexiChoice.

LOOKING AHEAD
Despite the air of change, our singular focus on you and your retirement outcomes is unwavering and is central to all of our projects and planning.

I hope you enjoy this edition of Super Informed and the rest of 2016.

---

UniSuper named Super Fund of the Year ... again!

The Chant West awards recognise funds that have worked hard to achieve excellence—and UniSuper’s back-to-back success is further testament to our single-minded focus on delivering greater retirement outcomes to members.

TOP QUARTILE INVESTMENT RETURNS
Chant West’s investment performance survey shows UniSuper’s flagship Balanced option has delivered top quartile returns over one, three, five, seven and 10 year reporting periods to 31 May 2016.*

AMONG THE TOP TEN FOR LOWEST FEES
Chant West recently ranked UniSuper’s Balanced option among the top ten for lowest fees—with the Balanced option placing second, eighth and 10th out of the 100 largest super funds in Australia for balances of $250,000, $50,000 and $25,000 respectively.

VALUE BEYOND RETIREMENT
The value we deliver goes far beyond dollars in retirement. We’re proud to offer you access to some of the best advice, education and services through our award-winning website, contact centre, national advice network and on-campus support.

---

*Past performance is not an indicator of future performance.
A clearer view

The view of Earth from space is about to become even clearer. Melbourne’s La Trobe University has teamed with the German Aerospace Center (DLR) to develop the planet’s sharpest camera. Project Manager and UniSuper member, Dr Peter Moar, spoke with us about winning the first ever International Space Station (ISS) contract—of this type—for an Australian university.

I was introduced to DLR while living in Germany, and we’ve worked on projects together for more than 10 years now. Then in early 2015, I had the opportunity to introduce my DLR colleagues to La Trobe’s engineering department—in particular to the in-house expertise of the TIGER Radar team headed up by Prof. John Devlin.

DLR was designing high-precision lens optics for the DLR Earth Sensing Imaging Spectrometer (DEESIS), along with the camera’s structure. They identified La Trobe’s expertise in what’s known as ‘radar technology’—electronics, hardware and software—and saw an opportunity to collaborate. So we came on board to help design certain ‘control systems’ consisting of a combination of the hardware and software to control the instruments the DLR is building.

When you’re designing for space, the development phase is much longer than usual. The demands are far greater than, say, building a car or a plane, where you can bring it into a workshop if something goes wrong. You’ve got one shot with a space-based device, so it has to work. And the need to be compliant means it’s integral to adhere to strict processes and procedures. Designing advanced instrumentation for space is pretty much the ultimate form of engineering excellence.

Space is an extremely harsh ‘zero gravity’ environment. The device has to operate in a vacuum. It can get up to a few hundred degrees and down to minus one hundred, so the camera must perform in extreme conditions. Cosmic radiation can also knock transistors and computers out of action. We simulate these conditions in our laboratories, testing the device in vacuum chambers and throwing all sorts of radiation at it. Overall, it’s a much more demanding and unpredictable process.

The camera’s adaptive optic techniques and advanced hardware and software mean it will be able to handle the most complex or subtle changes in images. It will allow us to take images containing new information in a particular sequence and at unique angles that haven’t been possible to date.

These images will help inform global natural disaster management and minimisation strategies. The camera will be able to analyse flood damage and be used for what’s known as ‘fire landscape management’—to track the state and vegetation of grasslands and forests after bushfires. Images can be used to assess the ‘curing state’ of grasslands to determine the fire danger rating. The fuel load of forests is calculated in a similar way and satellite imagery like this can help optimise back-burning efforts.
The DESIS instrument can also be used to detect and map fire front details and inferred temperature, which can be overlaid with a GPS mapping program. This allows us to establish a fire’s location, and which fire is hottest or most threatening. Afterwards, the imagery can be used to track what was burnt and to estimate how well vegetation is recovering.

In about 10 years’ time, I expect we’ll be able to access maps—similar to the weather radar maps—that track where fires are and how intense they are, with updated information available every five-to-six minutes.

You can see why these images are vitally important—particularly for a country like Australia which burns more than any other on the planet. Germany has this cutting edge technology but doesn’t have the fires, while Australia has the expertise in managing fires. This collaboration capitalises on each country’s expertise perfectly.

We’re now at the tail end of the design phase. We have what’s known as ‘engineering models’—those you trial your design on before building the ‘flight model’, which goes up to the ISS. We’re testing and modifying the electronics, hardware and software, before we hand over our final designs in October. The flight model will be made in Germany, where it goes into the final test and verification stage.

We expect the DESIS to be launched to the ISS in late 2016, followed by a three-month commissioning phase. This ensures all systems are working before the data begins streaming in 2017.

For more information about the DESIS, visit http://bit.ly/29zM3E.
Changing the way we educate

We’re constantly being told that education, as we know it, is changing. In 2015 we heard a lot about the University of Technology Sydney (UTS)’s striking Frank Gehry-designed Dr Chau Chak Wing Building. The new building, housing the university’s Business School, was designed to deliver new, collaborative possibilities for students and inspire new modes and methods of teaching. We caught up with two UniSuper members at UTS to see how the denizens of this distinctive new facility are seeing its effects unfold.

DR MELISSA EDWARDS —SENIOR LECTURER AT THE UTS BUSINESS SCHOOL
The Dr Chau Chak Wing building has enabled a more interactive mode of learning to be facilitated. The unusual design of the oval teaching spaces instantly disrupts the dynamic of learning experienced in a traditional classroom set-up. A traditional lecture room has fixed assumptions that knowledge is transmitted from the academic expert to be absorbed by students through a rote learning approach.

Business education—and management education specifically—relies on a different set of foundation principles. These are attitudes and values shaping how we relate to people, lead others and create innovative ideas to enable global prosperity—and developing analytical skills to create, communicate and enable these solutions.

The set-up in the oval classrooms mirrors the forums where global leaders meet to engage in dialogue, debate and discussion to strategize global approaches. Think the United Nations and the World Economic Forum. Students have used words like ‘interactive’, ‘spacious’, ‘inspiring’, ‘motivating’, ‘challenging’ and ‘surprising’ when describing these spaces.
The larger lecture spaces are also interactive, allowing me to break up my lectures with short discussions, and students can use the microphones to share their responses with the entire room. The executive education spaces allow us to deliver professional learning experiences that combine elements of lectures, panel discussions, experiential activities and networking. The layout encourages an atmosphere much like a professional conference which engages professional students and entices high profile guest speakers to come and share their knowledge and experience.

Some of my favourite things about the building are the feeling of space and the irregular design that makes you think differently about your workplace. This shapes a way of thinking that is more accommodating of critical and creative thinking and it attracts people’s imaginations.

From that place, as an educator, you can transition people into more creative and innovative thought processes.

“Students have used words like ‘interactive’, ‘spacious’, ‘inspiring’, ‘motivating’, ‘challenging’ and ‘surprising’”

Consciousness, intuition, belief, creativity and emotional engagement are distinctly human qualities (e.g. not yet replaced by robotics or mechanical labour).

Invoking these in the classroom through the use of visual and audio aesthetics can help us to develop these capabilities and find meaningful ways to incorporate these in the way we think about the design and purpose of business.

WE’VE CHANGED THE WAY YOU CAN EDUCATE YOURSELF ABOUT YOUR SUPER
Log into the new MemberOnline at unisuper.com.au/memberonline.
We all expect Frank Gehry’s work to be innovative and out there—to function, as a sociologist once noted of architect-designed buildings, ‘as both an object and a means’. As a means, the Dr Chau Chak Wing Building functions as symbolic capital, but as an object it challenges people’s perceptions because it tells us what architecture can or should be. That’s important. For me, it doesn’t quite matter whether some commentators are critical about the building or not—it is already achieving the university’s aims by changing the way we think about business education.

The quality of light—and access to natural light and views—are probably some of my favourite things about the building. From an education perspective, some people hold that lecture rooms should not have windows so that students are forced to concentrate on what’s being said or done in a seminar or lecture.

But everyone is so connected nowadays that in reality, if students are going to be distracted it’s going to be on a mobile phone or a laptop. A critical difference about this building is that in all the teaching spaces you are conscious of the day, of what's happening around you and of larger views than just the space that you’re in.

I think the building has a real attraction for people. It’s not an imposing building and it doesn’t take itself too seriously—which may sound disrespectful because the university invested a lot of money and a lot of time in this building—but it’s a building that makes you feel good as you walk towards it and enter it.

Buildings don’t change practices overnight—that old Churchill quote, “we shape our buildings and afterwards our buildings shape us”. From an educational point of view we’ll have to wait and see what develops, how students change, and how the practices of the academics that are housed in the building change too. We need to let these two aspects play out in combination with the influence of the new building over time.
Is using your intuition the way to go?

Are you someone who takes the time to carefully consider and research your decisions? Or are you more inclined to go with your gut instinct? We’re accustomed to hearing the adage ‘what does your little voice say?’, but researchers have now determined it might be time we start listening to that ‘little voice’ more regularly.

Intuition is the ability to understand something instinctively, without the need for conscious reasoning. When we use our intuition, it tends to be a method of generally reaching a decision a lot faster, but we’re never completely certain if it’s the right decision.

After conducting experiments with over 100 students, a team of researchers from the University of NSW’s School of Psychology—Associate Professor Joel Pearson, Dr Galang Lufityanto and Dr Chris Donkin—have come up with a method which proves that unconscious intuition can inform and improve our decision-making.

We spoke with Dr Lufityanto to explore these and other key findings from their landmark research.

WHAT MOTIVATED THIS RESEARCH?
People are still reluctant to rely on intuition when making critical decisions. On the contrary, we often hear success stories of people using non-analytical thoughts—a process commonly regarded as intuition—to arrive at accurate decisions. This motivated us to seek evidence of intuition using a tractable methodology which has been applied in studies of cognitive neuroscience.

Further, we seek to determine the underlying mechanism and what factors may contribute to intuitive decisions.

YOUR RESEARCH REVEALED THAT INTUITION CAN IMPROVE OVER TIME. HOW CAN PEOPLE TURN INTUITIVE SKILL INTO PRACTICE?
Our research finding has demonstrated that intuition could develop over time even in the absence of clear incentives. By giving the participants proper exposure toward emotional events—as the basic ingredient of intuition—we can already bias decisions. However, not everyone responds to emotional events to the same extent. Those who can utilise emotional cues effectively would make more accurate intuitive decisions.

WHAT WERE SOME OTHER INTERESTING FINDINGS FROM YOUR RESEARCH?
Our research demonstrates that the human brain can bind several types of information to yield productive behaviours. In particular, intuition is a product of a combination between non-conscious emotional information and conscious decision-task-related information. This capacity to bind categorically unrelated information has not been understood well until we suggested the working paradigm of intuition.
TO WHAT EXTENT SHOULD WE FOLLOW OUR INTUITION?
It’s critical that we’re aware in which situation intuition becomes a powerful tool to make a decision. Our finding has suggested that people tended to use intuition when task-related information was not enough to make decisions. Consequently, we would use additional resources such as emotional information. In contrast to what popular books have claimed about intuition, our study found that intuition isn’t more superior than analytical thought on a general basis.

HOW CAN YOUR FINDINGS BE APPLIED ELSEWHERE?
Emotional awareness should be taken into account when recruiting people for positions in which intuitive decisions will be frequently made. High levels of uncertainty and unpredictability are a common characteristic of managerial positions, therefore choosing people who are more qualified to cope with those situations could be beneficial for a company’s interests.

CAN USING INTUITION POTENTIALLY HELP US IN RETIREMENT?
As we get older, our cognitive capacity does deteriorate. It will affect us in the way we make decisions, such as we tend to use experiential strategies, including intuition. Unfortunately, not everyone has good intuition. While we can improve our intuitive ability by enhancing our emotional awareness, it’s also a good idea to have a support system—such as a retirement plan—which helps us going through unexpected future events to reduce financial risk.

You can read more about this research at http://bit.ly/28Jxa01.

What’s your intuition telling you?

Has this year’s Federal Budget announcement left you concerned about your super? Perhaps you’re unsure about your current finances? When it comes to your super and retirement, some sound advice—together with your intuition—might restore your confidence with your investments.

As a UniSuper member, you benefit from exclusive access to UniSuper Advice’s in-house team of financial advisers who are solely dedicated to helping you with your finances. Contact UniSuper Advice on 1300 331 685.

You can also speak with a consultant at your campus or at one of our member centres—visit unisuper.com.au/campusbookings to make a booking.
Whether you’re close to retiring, changing jobs, reviewing your investments or just needing some guidance with your current finances, we always recommend you speak to a qualified financial adviser.

As a UniSuper member, you benefit from exclusive access to our in-house team of financial advisers who are solely dedicated to helping you with your finances. We operate on a fee-for-service basis which means we’ll quote you a fixed fee for receiving our advice and won’t charge you ongoing commissions. If you’re thinking about seeking financial advice but not sure what’s involved, Dale Barratt—Private Client Adviser at UniSuper—has provided a simplified step-by-step guide of what happens when you arrange to meet with one of our private client advisers to receive comprehensive advice.

What happens when you get comprehensive financial advice with UniSuper?

PREPARING FOR YOUR FIRST SESSION
To make an appointment to see an adviser, you’ll need to contact UniSuper Advice on 1300 331 685. We’ll arrange a time for you to meet with an adviser if we think you’ll potentially benefit from financial advice.

We’ll let you know what documents you need to bring. These usually include paperwork on any investments and life insurance you have, bank and super statements, payslips, your budget (i.e. income and expenses) and anything else that might be relevant to your discussion.

YOUR FIRST SESSION: MEET YOUR FINANCIAL ADVISER
We’ll get to know each other: we’ll explain who we are, what we do and how we can help.

This is an important session where we gather as much information from you as possible to ensure we tailor the advice to your needs. However, it’s not just about the facts and figures in your documents—we’re interested in learning about your financial goals and exploring how you can achieve these.

The duration of this session is usually one to two hours depending on the complexity of your needs. However, it’s important to note: the investment you make in this meeting will greatly impact the financial plan we produce for you.

We’ll provide you with a written quote; if you’re happy to proceed, we’ll start developing your financial plan.
YOUR SECOND SESSION: WE PRESENT OUR RECOMMENDATIONS
We’ll walk you through all aspects of your plan (these are detailed in your Statement of Advice) ensuring you understand the strategies we’ve prepared and recommended for you. In this session, you might need to sign certain documents (such as an Investment choice form, an application form etc.) to implement your strategy if you’ve chosen to do so. Once this is done, we’ll make sure your forms and instructions are processed.

What if you need more time to think about it? That’s completely fine. We don’t need to implement your suggested plan straight away. We understand there’s a lot to absorb, so take some time to think about it and we’ll contact you within a week or two to see how you’ve gone.

WHAT HAPPENS NEXT: REVIEW YOUR FINANCIAL PLAN
We understand things might change. Life events—including the sale of property, new relationships, family dynamic changes etc.—or economic or legislative changes can occur along the way and this could impact your financial position. We’ll generally contact you once a year to check if you’re still happy with your strategy, or if you’d like a review of your financial plan.

Alternatively, you can contact us any time if you have any concerns or believe it might be time to review your financial plan.

THERE’S NO TIME LIKE THE PRESENT
No matter what stage of life you’re in, it’s never too early or late to plan your financial future. To meet with one of UniSuper Advice’s qualified financial advisers, call 1300 331 685.

WE RESEARCH, ANALYSE AND PREPARE YOUR FINANCIAL PLAN
We’ll get to work on preparing your financial strategy, ensuring it aligns with your objectives based on our discussions. We’ll prepare all of the paperwork, including your Statement of Advice and what you need to sign when you come in for your next visit. This process usually takes us around three to four weeks—we’ll let you know when it’s ready.
The millennial investment question

Millennials, aged between 18 and early 30s, are considered possibly the most educated generation ever. They’re less inclined to own things—they’re more likely to access services via the sharing economy and want their investing practices to reflect their personal values. What might this mean for the way they look at their finances and invest? We spoke to UniSuper Review Adviser Angelina Wu and Private Client Adviser Matt Werakso to find out.

DO YOU FIND MILLENNIALS ARE CONCERNED ABOUT THEIR FINANCIAL FUTURES?

Angelina Wu: We don’t get to see many millennials, but given I’m one myself, I’d agree that millennials have a number of competing financial priorities in their lives. This is where super can be a silent but powerful tool that shouldn’t be ignored. Taking the time to understand things like how investment markets work, the relationship between risk and return, concepts like dollar-cost averaging and diversification can help millennials feel more confident managing their finances.

Matt Werakso: Absolutely. Generally speaking, millennials want to do it all—whether it’s travelling the world or saving for their first home while enjoying the kind of lifestyle they want. With these competing priorities it’s important to have a bigger picture frame-of-mind, as well as some short- and long-term goals, and to find some sort of balance between the two.

CAN ECONOMIC TURMOIL INFLUENCE MILLENNIALS’ SAVING AND SPENDING DECISIONS?

AW: Millennials tend to have their money invested longer because they’re likely to have at least 30 years until retiring and being able to access their super. So, while market volatility can be unsettling because of what they hear in the news and through other channels, generally they can also afford to absorb a certain level of risk over the long term.

MW: Yes I think so. These people were starting out in the workforce just as the global financial crisis (GFC) was peaking and I think this may have rattled a lot of younger Australians. The post-GFC recovery era and subsequent increase in house prices have meant millennials would’ve had to re-evaluate their immediate need to become home owners.

So although as a group they may now have a more conservative financial view, the flip side to this is their savings rate has actually increased. In fact, millennials are saving more than any other age group1, with over 62% saving more than 5% of their income. With good planning, these people will be able to use this discipline to help achieve their financial goals a lot quicker than they realise.

1 www.time.com/money/4271950/millennials-best-age-group-saving/
WHAT ABOUT HOW THEY INVEST—ARE MILLENNIALS INCLINED TO CONSIDER MORE THAN SIMPLY RETURNS?

MW: With information so readily available in the digital age, I think people in general are increasingly able to make investment decisions based on their values. This in turn has made people savvier when it comes to their finances—and companies more accountable to what they say and do.

I don’t think it’s surprising that this is reflected in where people invest—cue the demand for sustainable or socially responsible investing growing in popularity within this age group.

The demand for current and transparent information—as well as their willingness to screen their investments to ensure they align with their values—I think will only increase in time, so it’s about factoring that into broader investment thinking. UniSuper understands that environmental, social and corporate governance (ESG) issues can have investment implications and offer a few investment options that allow members to apply a stricter set of ESG criteria to their investments if they want to.

SO ALL THINGS CONSIDERED, WHAT WOULD BE YOUR TOP TIPS FOR MILLENNIALS?

AW: Make use of the free tools out there to help manage your cash flow. For example, UniSuper’s range of free online calculators and tools—like our Budget planner and Investment choice tool—can help you conceptualise where you’re at with your finances and retirement savings and offer some extra resources to help you.

MW: Try to live within your means—so if you’re saving for that new car or overseas holiday, try not to rely on your credit card.

Plan early to build wealth. While it’s a good thing that young Australians are keeping an eye on their financial situation, it’s just as important to plan for 50 years’ time. Start a regular savings plan into some type of investment. And consider topping up your super—even if you’re only able to put aside an extra $10 a week through a voluntary contribution, this can help over the long term as well.

NEED SOME HELP WITH YOUR INVESTMENT DECISIONS?

Everyone has different needs and preferences, so it’s good to know you have the flexibility to tailor your own investment strategy or leave it to our team of experts. Find out more about our investment options, including suggested investing timeframes and the types of assets we invest in, by reading How we invest your money at unisuper.com.au.

“Make use of the free tools out there to help manage your cash flow.”
Keen to learn more about FlexiChoice?

FlexiChoice is our new, in-development super and retirement income solution. Many of you have said you’d like to know more about how FlexiChoice is progressing, so this is part of a regular series of updates to help you walk with us each step of the way.

We’re working hard building FlexiChoice and expect to offer it as our default product for eligible new members during the 2017/18 financial year. Some of the main things we’re focusing on right now include adapting our technology to administer this new product, and refining the features and default options we’d like to offer.

FlexiChoice combines defined benefit-style features with more common ‘accumulation’ super, aiming to provide greater certainty of an income stream (i.e. regular pension payments) in retirement, better ability to forecast how much you’re likely to have at retirement, and more protection from investment downturns—alongside increased flexibility and choice.

While we haven’t locked down all the details, as work continues behind the scenes we’ll continue to provide regular progress updates and information in coming editions of Super Informed—and through our new online FlexiChoice information centre. Visit unisuper.com.au/flexichoice to find out more about:

- why we’re launching FlexiChoice
- what makes FlexiChoice innovative
- how FlexiChoice will work
- future opportunities for eligible existing members to transfer their existing UniSuper benefits to FlexiChoice.

STAY INFORMED
Receive email notifications when new information about FlexiChoice is posted. Subscribe for alerts at unisuper.com.au/flexichoice
The psychology of saving

We all have them. Those people in our lives who always seem cashed up, with healthy bank accounts and actual savings for a rainy day. So what is this mystical force that shapes some of us into savvy savers and leaves others living pay to pay?

IS INCOME KING?
While there’s evidence that higher incomes can contribute to higher amounts saved\(^1\) (possibly not the greatest surprise), higher incomes don’t necessarily translate to regular savings habits or the likelihood of seeing saving as important.

Conversely, having a lower income doesn’t necessarily translate to a lower desire to save, but it can force people to live in a “permanent now”\(^2\)—making it very hard to care about the future or see the value in planning for tomorrow when faced with today’s problems. In his 2015 article, University of Oregon’s Assistant Professor of Psychology Elliot Berkman argues that it’s living in this state of permanent now, and not a lack of self-control, that is a key savings deterrent.

ROLE MODELS, READING AND WRINKLES
So how do we become savers? Dr Annamaria Lusardi, in her 2001 study, puts forward that people with older siblings and friends who are savers are likely to learn good habits from watching their example. She suggests that watching parents or siblings struggle financially can also be a savings catalyst. According to Lusardi, higher levels of education and more conservative beliefs can also increase the likelihood you’ll be a saver—as does getting older. For many, getting older means fewer financial dependants and debts, freeing up income and naturally reducing expenditure. Older people also tend to be the most positive savings advocates.

Thankfully, there’s still hope for the only children and oldest siblings of the world. Taking steps to improve your financial literacy and talking openly with trusted friends about your finances are also very strong factors related to positive savings habits, and are linked to making more confident investment choices and saving regularity.

---

Whether you’re earning a lot or a little, there are a number of simple things you can do now that are strongly linked to healthy saving habits:

• Find a financial role model or mentor
• Talk openly about your finances with a trusted friend. Let go of embarrassment, because everyone has money challenges, questions and concerns.
• Learn as much as you can and improve your financial literacy
• Practice delayed gratification—resist the urge to live in the now all the time. Remember that any small financial sacrifice you make now is building stronger foundations for tomorrow’s enjoyment
• Know where you stand. Use our free online Budget planner and Retirement adequacy calculator to get a clear picture of your current and future financial needs. You can access both at unisuper.com.au.

Dr Annamaria Lusardi is the Denit Trust Distinguished Scholar and Professor of Economics and Accountancy at the George Washington School of Business. She also holds a Ph.D. degree in Economics from Princeton University.

STRAIGHT LINES AND CIRCLES

In her Saving in cycles study with Utpal Dholakia, Leona Tam from University of Wollongong explores changing the way we approach saving from the common linear model to a more cyclical model. Tam found that people tended to save more when shifting from saving for ‘big, future’ life events, to saving for the regular, smaller cyclical events that always crop up.
COMPARE, CONSIDER AND CHANGE YOUR INVESTMENT OPTIONS WITH EASE
Our redesigned ‘Investment details’ section not only has the latest performance information, but gives you a deeper insight into your investment choices with new breakdowns of how your balance is invested by asset class and major holding.

IT'S EASIER THAN EVER TO COMBINE YOUR SUPER
Our new Combine my super tool takes the hard work out of combining your super by getting rid of the paperwork. All you need are some details about your other fund/s and we’ll take care of the rest.

MANAGE YOUR SUPER — ANYTIME, ANYWHERE AND ON ANY DEVICE
Not only does the new MemberOnline look different, the new site’s been built so that you can simply and easily access your account, no matter what device you’re using.
CHOOSE HOW YOU’D LIKE TO GET YOUR STATEMENT

We know people are more inclined than ever before to reduce paperwork and help the environment. To make this easier, you can now choose to get your statement and Super Informed magazine via MemberOnline only. Once your statement is ready, we’ll let you know by email—you can then log in to your account and view your statement immediately.

CLEARER, MORE RELEVANT INFORMATION

As soon as you log in you’ll get a snapshot of your balance over time, how you’re tracking against the contributions caps, investment performance, beneficiaries, insurance and recent transactions. We’ve put the most important information about your account at the forefront—making it easier for you to understand your super and where it’s at.

things to love about your new MemberOnline

We’ve recently updated our secure MemberOnline site—saving you time and making it easier to understand and manage your super. We’re very excited to launch it—here are five things to love about the new unisuper.com.au/memberonline.

NEW HOME FOR UNISUPER WEBCASTS

If you regularly tune in to our webcasts—our live, online seminars for members—you might have noticed something different in recent months. We now offer our webcasts on-demand—so if you can’t make a live one, you can catch-up anytime. Simply register for an upcoming webcast and you can access the full range. Visit unisuper.com.au/webcasts to check it out.
Changes to super

Budget update
At the time of printing, the outcome of the Federal Election was unclear. The two major parties took similar—but not identical—superannuation policy platforms into the election. Consequently, the 2016 May Budget proposals, in one form or another, could be introduced by whoever eventually forms government.

While most of the proposed changes will take effect from 1 July 2017, there will be significant industry consultation on many of these measures throughout the remainder of 2016, with any legislation likely to be introduced to the parliament in the first half of 2017.

For the latest news on the effects of the election outcome on superannuation, visit unisuper.com.au/budget.

PROPOSALS
Some of the more significant proposals in the May Budget policy announcements included:

- changes to contribution caps with:
  - a reduced concessional contributions cap to $25,000 (regardless of age), from 1 July 2017,
  - a carry-forward of unused concessional cap amounts for those with super balances under $500,000, and
  - a new lifetime limit on after-tax (non-concessional) contributions of $500,000, having effect from 3 May 2016 and taking into account all non-concessional contributions since 1 July 2007
- new benefit limits with a new transfer benefit cap of $1.6 million on amounts that can be transferred to the ‘retirement phase’ to commence pension products, such as account-based pensions. There will also be commensurate measures for defined benefit pensions greater than $100,000 yearly
- measures to assist low income earners to contribute to super, as well as making changes to the superannuation spouse tax offset
- changes to the tax threshold for ‘Division 293’ tax (which affects a small number of high income earners)
- changes to transition to retirement pensions, with a proposed 15% tax on investment earnings from 1 July 2016
- removal of the work test that applies to the making of personal contributions by those aged from 65 to 74
- new rules to allow people under age 75 to claim a tax deduction for personal superannuation contributions.

For more detailed information on the proposals—and the latest news on the effects of the Election outcome on super—visit unisuper.com.au/budget.

LEGISLATION PASSED
Legislation was passed in June 2015, making changes to the Age Pension which come into effect from 1 January 2017 which will:

- increase the assets free area for all pension recipients, and
- increase the ‘taper’ of the assets test, which has the effect of reducing the amount of assets a person can have and still receive a part pension.
These changes will mean that some retirees with lower levels of assets might receive a slightly higher Age Pension, while those with higher levels of assets might have their payments reduced or even cut off. If you think this measure affects you, we encourage you to seek financial advice.

**TREASURY REVIEW OF RETIREMENT INCOME STREAM REGULATIONS**

Over the last two years, Treasury conducted a review of impediments to the regulation of retirement income products. It found that there were legislative impediments to develop new products, such as deferred pensions and annuities, and included recommendations that were picked up in the Budget in 2016.

It also reviewed the required drawdown amounts from account-based pensions, such as UniSuper’s Flexi Pension, and found that the current minimum drawdown amounts were “about right”.

**UniSuper update**

**WORKPLACE GENDER EQUALITY AGENCY (WGEA) REPORTING**

UniSuper recently submitted its annual report to the WGEA (formerly The Equal Opportunity for Women in the Workplace Agency) as part of its requirements to comply with the Workplace Gender Equality Act 2012 (WGE Act). WGEA is the government statutory authority charged with supporting and improving gender equality in Australian workplaces. To view the report, visit our website at [unisuper.com.au/governance](http://unisuper.com.au/governance).

### Important updates

**FEE CHANGES EFFECTIVE 1 OCTOBER 2016**

Following a regular review of our fees and costs, we’re pleased to announce we’ll be waiving the indexation of our administration fees in 2016. Indexation is typically done each 1 July.

And, further to the reduction of some of our fees in 2015, we’ll be reducing our fee for switching investment options from 1 October 2016 (see the below table for more information).

We’re sure this will be welcome news for members.

**DEFINED BENEFIT DIVISION, ACCUMULATION 1 AND 2, SPOUSE ACCOUNT, FLEXI PENSION AND TERM ALLOCATED PENSION MEMBERS**

<table>
<thead>
<tr>
<th>Fee name</th>
<th>Fee prior to 1 October 2016</th>
<th>Fee from 1 October 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switching fee</td>
<td>$15.80 for the second and subsequent switch each financial year</td>
<td>$13.80 for the second and subsequent switch each financial year</td>
</tr>
</tbody>
</table>
SuperRatings, a superannuation research company, has awarded UniSuper a 10-year Platinum Performance rating for its Accumulation 1 and Accumulation 2 products in 2016. Go to www.superratings.com.au for details of its ratings criteria. SuperRatings does not issue, sell, guarantee or underwrite this product.

Chant West has awarded UniSuper ‘Super Fund of the Year’ in both 2015 and 2016—something no other super fund has been able to achieve. Our Accumulation 1 and Accumulation 2 products have received a 5 Apples rating in 2016. We also received the ‘Investments Best Fund’ award in 2015. For further information about the methodology used by Chant West, see www.chantwest.com.au.

Issued by: UniSuper Management Pty Ltd (ABN 91 006 961 799), Australian Financial Services Licence No. 235907 on behalf of UniSuper Limited, ABN 54 006 027 121, the Trustee of UniSuper, Level 1, 385 Bourke St, Melbourne Vic 3000.

UniSuper: ABN 91 385 943 850
Trustee: UniSuper Limited, ABN 54 006 027 121/MySuper Authorisation No 91385943850448
Date: August, 2016

This information has been prepared to provide members with general information only and includes general advice. Any advice in this newsletter has been prepared without taking into account your individual objectives, financial situation or needs. Before making any decision in relation to your UniSuper membership, you should consider your personal circumstances, the relevant product disclosure statement for your membership category, and whether to consult a qualified financial adviser. To obtain a copy of the PDS relevant to your membership category, visit unisuper.com.au/pds or contact us on 1800 331 685.

UniSuper Advice is a service dedicated to UniSuper members and their spouses which is provided by UniSuper Management Pty Ltd, the entity licensed to provide financial advice and the administration of the Fund. For further information about UniSuper Advice, please visit unisuper.com.au, access the Financial Services Guide and, for any further enquiries, contact us on 1800 331 685.

Any views expressed by third parties are those of the third party and not UniSuper.

UniSuper is referred to as UniSuper or the Fund.

UniSuper Ltd is referred to as UniSuper or the Trustee.