

Super Views

VISSF aims to help grow your superannuation. We provide an overview of the current market climate and some useful tips about staying the course to achieve a wealthy retirement.

The message from the experts is clear on the importance of adopting a long-term horizon. Investing is about putting money away for the longer term, to earn income and/or increase the initial value of the investment.

It has been a volatile start to the year, as the fallout from the United States (US) sub prime mortgage crisis and fears of a recession in the US are felt elsewhere. According to the experts, there is some light at the end of the tunnel for superannuation investors.

"The last thing investors should do is panic out of markets... investing in shares should be seen as a long term proposition," Shane Oliver, head of investment strategy and chief economist at AMP Capital Investors told the Australian Financial Review last month.

Oliver says: "While there may well be further weaknesses ahead, trying to time the bottom is impossible. The best approach is for long-term investors to sit tight."

The view of the Trustee Board at VISSF is about long term growth, believing the best philosophy for our members is **'time in' not timing.**

With an increasing number of members working for more years and with extended life expectancy, taking a long term view and maximizing your investment choices is crucial to achieving the best possible wealth management outcomes.

VISSF has never before offered a greater choice within the Fund. You can now choose to switch the weighting of your investment profile on a month-by-month basis, with two free switches a year.



Key Points for the Long Term

Stay focused on where you want to go

It's important to remain focused on a long-term investment horizon and not get too caught up in the short-term market movements. The last 20 years has seen a number of major market events that have hurt share markets both locally and offshore. History shows that typically, share markets bounce back eventually.

Understand your risk profile

All investing involves a trade-off between risk and return. Generally, the potential for higher returns comes with a greater degree of risk. Any investment portfolio should have an appropriate level of risk for individual needs and financial situation.

The Cost of DIY

The Minister for Superannuation and Corporate Law, Nick Sherry has announced the Rudd Government will consult with industry and superannuation practitioners to improve governance in the \$313 billion do-it-yourself super sector.

"The federal government is concerned where individuals are subject to aggressive marketing strategies and are persuaded to establish a self-managed super fund without being aware of their role and responsibilities, and without appreciating the costs involved," Senator Sherry said.

The Australian Financial Review recently quoted Michael Rice from the actuarial firm Rice Warner as saying some accountants were jeopardising clients' retirement by pushing them into self-managed super to create an annual \$1 billion revenue stream for the profession.

In the same article Pauline Vamos, chief executive of the Association of Superannuation Funds of Australia, warned that a number of the group's members were very concerned about trustees of self-managed funds who were starting to borrow to finance by their funds' purchases of assets.

A Message from Your VISSF Chairman



Dear members.

This year we will celebrate the 50th Anniversary of the VISSF Fund, with relevant member seminars and a sponsored event where we will thank those who have provided service to us over the 50 years.

Three thoughts come to mind. It is easy to take superannuation for granted. We should acknowledge the many determined and often feisty women who fought hard

for decades for this benefit for our members. They did not benefit but we do.

There was foresight of the School Councils who agreed to contribute to superannuation and insisted on insurance for sickness and disability to benefit members.

In 2008, we are more aware of the volatility of investment markets. We know the long term trend has been upward as the

economy has grown, and expect that the downturns will be followed by upswings as has happened in the past.

Our Fund of 50 years has about \$500million invested for your benefit. Grow with us in the future.

A. M. Saunders
Anne Saunders Chairman



Launching a new era in VISSF communications

The Trustee would like to take this opportunity to introduce you to Rick Willis, who has been appointed to the role of VISSF Communications Officer.

Rick is an experienced marketing professional who will be assisting us with a range of projects aimed at ensuring that member communications meet the needs of members. As part of this work, Rick is building an improved database of VISSF members which will include email addresses in order that we may send electronic updates, newsletters, invitations to events and other key data.

We expect that this will be more convenient for members and more efficient for the Fund.

As advised in the separate letter to you from the Fund introducing Rick, he will contact you either by work email or telephone, so that he can enquire which is the best method of communication for you. You may prefer to discuss this out of school hours and he can make a phone time with you. We would appreciate any support that you can provide him with this task.

Why did we choose Rick Willis to assist us?



Rick has more than three decades of experience in journalism in Melbourne TV, radio and print for corporations and Government. He is familiar with Melbourne independent schools and their staff. As a journalist Rick will be able to frame the key questions about member needs of superannuation communication in the least intrusive manner. The Fund has given him the authority to invite you to inform us of whether our communication is suitable for you and to obtain your preferred email address if that mode of communication suits you.

Insurance Premiums Drop from 1 February

We're pleased to inform you that your Trustee has negotiated lower insurance premiums effective from 1 February 2008. There's more good news on insurance. A communication will be sent to members with insurance cover who joined the fund prior to 1 February 2008. This will be mailed in May 2008 offering the opportunity to increase your insurance cover without having to provide evidence of health to the insurer.

How transition to retirement works

All of us want to enjoy a healthy and wealthy retirement and that is possible with good planning and the right advice.

Generation X and Y or Baby Boomer?

No matter what age you are, it's important you start planning early. The sooner you make a plan and begin implementing it, the bigger a difference this will make to the type of retirement you can enjoy. Think about what you can do to build your superannuation.

Until recently, you could only access your superannuation once you turned 65 or retired. Over 55s can now choose to reduce their working hours without reducing income. If you choose this option, you can top up your reduced income with a regular 'income stream' from your superannuation savings. This is called 'the transition to retirement'. It means the possibility of rolling some or all of your superannuation over into a retirement income stream. You can top up your reduced income by drawing on your superannuation. Alternatively you can 'transition' to retirement while working full-time with no reduction in working hours. Contact the fund to implement this strategy.

Attend one of VISSF's free 'transition to retirement' planning seminars.

Deadline for Switching

Members wanting to change their investment choice should be aware that their switching instruction must be received by the Fund no later than close of business on the 15th of the month if the change is to occur on the first of the next month.

That is, the notice must be received by close of business on 15 April if the change is to occur on 1 May.

A Few Moving Words

Changing Addresses?

We'd like to remind members to keep their Fund informed of changes of addresses.

Email us with your new details at members@vissf.com.au, send us a fax, mail, or phone the Fund on (03) 9258 6750 with your new details.

