

Find out more about the bigger picture



You certainly aren't alone if you've been worried by all the bad news about world investment markets in the press and like most investors, your statement this quarter may contain disappointing results.

The important thing to note is that this statement is a snapshot of a small part of what is a much bigger picture. Indeed, while your account-based pension pays you a regular income, it is designed to deal with the ever changing investment market cycles over prolonged periods - to smooth over the bumps as investment markets go up and down over the long term.

Up until recently, markets have been rewarding investors well and while there's been a sharp correction over the past year, there's no doubt that they will bounce back in the future, helping your retirement savings.

So what should you be doing right now? Why not contact us on **1300 883 788** and speak to one of our Financial Planners. They can speak to you about how your financial plan is set up to manage your goals and they will explain how it is designed to deal with the current environment, given your particular circumstances. And as a member, this service is available at no additional cost to you.

Our message to you is don't lose sight of your long-term strategy because of the current market conditions. Give us a call on **1300 883 788** to set a time for your next investment review meeting.

Welcome. In this issue of Financial Planning NEWS you will find information on:

- Dealing with the bigger picture of investment markets
- Changes to the Pension Bonus Scheme
- The Government's Co-contributions Scheme
- Different ways in which we can help you
- Preparing for downsizing
- The joys of gardening
- How to set up your will online
- Home Loans
- The latest from Fair Go
- Seminars
- What's on in NSW
- Investment market commentary

Changes to the Pension Bonus Scheme

From 1 January 2008, the Pension Bonus Scheme (PBS) was made more flexible by:

- Allowing the surviving partner of a deceased PBS member to receive the bonus their partner had accrued, but had not claimed before their death. This new payment will be called the Pension Bonus Bereavement Payment (PBBP). The PBBP may be claimed by the surviving partner of a registered PBS member who died on or after 1 January 2008.
- Allowing PBS members who take any work-related leave to continue in the scheme as non-accruing members for up to 26 weeks without failing the PBS work test. Work-related leave includes recreation leave, long service leave, sick leave or unpaid leave that starts on or after 1 January 2008. If the member is already on leave as at 1 January 2008, the leave already taken is counted as part of the 26 week period.

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- Paying a Pension Bonus top-up where the rate of Age Pension a person receives increases in the 13 weeks after it was granted (on or after 1 January 2008). This may occur where a person's assessed income and/or assets decreases in that time.
- Providing Centrelink and the Department of Veteran Affairs (DVA) with further discretion to allow a PBS member to lodge their claim (on or after 1 January 2008) after the 13 week claim period in special circumstances, for example, the serious illness of a close family member.

Changes were also made to Eligibility for the DVA Partner Service Pension. From 1 July 2008, the age requirement to be eligible for the partner service pension increased from 50 to the veteran pension age, unless the claimant has a dependent child or is the partner of a special rate (TPI) disability pensioner. This will not affect current partner service pension recipients.

The Government's Co-contribution Scheme



If you are transitioning to retirement, still working some hours and contributing to super, you may be able to take advantage of the Federal Government's Co-contribution Scheme.

If you have an annual income of less than \$30,342 a year and you make an after-tax contribution to your super, the Government may contribute \$1.50 for every \$1.00 you contribute, up to a maximum of \$1,500 in a financial year.

The Government will still make a Co-contribution if you earn less than \$60,342, but the amount it will match reduces as your annual income approaches this figure.

So if your annual income is lower than \$60,342 and you are still working, the Co-contribution Scheme can be a wonderful opportunity to further build up your retirement nest egg. But there are conditions. Over 10% of your total income must come from eligible employment or from carrying on a business and you must be younger than 71 years old at the end of the year in which you earned the income.

To find out more about this scheme or to make a contribution, phone **1300 369 901**.

Create your own Will online

What would happen if you suddenly passed away? Would your hard-earned assets be distributed in the way you want, to the people you want?

A Will is a legally recognised document that sets out how you would like your assets to be distributed after your death.

If you die without leaving a valid Will, you die intestate, a situation which can have a huge emotional and financial impact on your family. It means that someone, usually one of your relatives, has to apply for Letters of Administration from the court to deal with your estate. The administrator then has to distribute the estate in accordance with the statutory rules of intestacy, not how you think it should be distributed.

As a member, however, you are able to take advantage of the Fair Go Will Service, which provides you with two options for creating your Will online - for as little as \$25!*

Do-It-Yourself Wills - You can now create your Will online at home with the Fair Go DIY Will. This lawyer-approved product is written in plain English with step-by-step directions and explanations.

At the end of the process you can print the document ready for signing and witnessing, resulting in a completed Will within one hour of starting the process. You can also update and reprint your Will as many times as you like within a year.

For those with a less complicated Will or who have had a Will drawn up before, the DIY Will is for you.

Solicitor Wills - The Fair Go Solicitor Will facility follows the same principle as the DIY option, however, at the end of the process, you submit it electronically to a solicitor for legal checking and approval, instead of printing the document.

The Solicitor will then contact you by phone or email within two working days to address any issues. Once both parties are satisfied, the solicitor prints the Will and arranges for signing.

This convenient and efficient service gives you the peace of mind of knowing that a solicitor has personally checked your Will, without you having to leave the comfort of your home.

Visit www.futureplus.com.au, select the Fair Go menu, and then click on Estate Planning to make out your Will today.

Pricing

| DIY Will | Solicitor Will |
|-----------------|------------------|
| ■ Single - \$25 | ■ Single - \$135 |
| ■ Couple - \$40 | ■ Couple - \$220 |

* Price refers to DIY Will for a single person.

Preparing for the super-sized task of downsizing

Downsizing has many advantages which you are probably already familiar with, but it's also a huge and stressful task which often involves sorting through years of your life and saying goodbye to some of your favourite belongings.

If your move is some time away, you are in luck. You can start planning for it now and even take some small steps towards it. You'll have enough to deal with later. For example, consider the move when making any new purchases. Do you really need such a big fridge?

You might also start clearing out all that unused stuff that's been stored in the spare room or garage.

Now may also be a good time to tell your children that it's time to collect their childhood belongings and start storing their own mementos.

Also, start thinking about which belongings you won't be using much and what you will do with them.

Set some firm rules when deciding what to get rid of and stick to them. For example, it goes if you have a duplicate,

if it hasn't been used for a year, or is broken, or if it doesn't fit in with your future lifestyle. Keep it if you can't live without it, it has sentimental value or you know you want it in your new home.

Begin working out which items will be passed on to family or friends, sold at a garage sale, given to charity or thrown away. Are there any valuable items that could be sold at auction?

Once you've decided, you could start marking each item with a colour coded sticker, placing it in a special box or throwing it in the wheelie bin.

When sorting through what you need to get rid of, start with the large items first. If you start with the small items, you may get overwhelmed and frustrated before you even really begin.

Most of all, as you start this daunting task that will only get bigger as your move approaches, try to enjoy it. Take moments to laugh at old pictures, read old letters, grieve for losses and recall some old stories.

The joys of gardening

If you are looking for a new hobby or way to keep fit, you may just find it in your backyard - gardening.

Not only is gardening therapeutic and relaxing, but imagine the satisfaction of seeing your work blossom into a picture of beauty or of whipping up a pasta sauce with your home grown tomatoes, garlic and basil.

Gardening can be a tonic for the mind, body and soul. And, it can be an extremely enjoyable form of exercise which helps you maintain mobility and flexibility. All that walking, reaching and bending encourages you to use your motor skills and can help prevent diseases like osteoporosis.

Best of all, gardening can develop into a social activity. You can share gardening tips with your friends or even join a gardening club and meet new people. To find a gardening club near you, visit the Garden Clubs of Australia's website at www.gardenclubs.org.au. If there isn't a gardening group in your area, start your own!

But while gardening certainly isn't an extreme sport, it does have some safety risks. Here are some you should look out for:

- **The sun.** Use sunscreen and wear protective clothing if you spend a lot of time outdoors.
- **Dehydration.** Drink lots of liquids while you toil away. And, avoid alcohol.
- **Stiffness.** Warm up in the same way you would for any other exercise.

- **Back injuries.** Be careful how you do all that bending and lifting.
- **Backyard hazards.** Gloves and long pants can protect you from bug bites, thorns or scratches. Skid-free shoes may stop you from slipping in mud or water. Follow instructions when using chemicals or equipment hoses lying around.
- **Potting Mix.** Be careful to read the safety instructions before you open the mix as there can be airborne dust which should be avoided.



Also, you can plan ahead and make some changes if you have a medical condition that may restrict your gardening activities. You can modify your garden spaces, tools and equipment to reduce the physical stress on your body. And, you can redesign your garden tasks so that they are appropriate to your physical capabilities.

"No occupation is as delightful to me as the culture of the earth, and no culture comparable to that of the garden. I am still devoted to the garden. But though an old man, I am but a young gardener." Thomas Jefferson

Seminars

If you haven't retired yet, or your partner is planning to retire, why not attend a free pre-retirement planning seminar brought to you by your Scheme? Also, if you have family or friends that you think may benefit, please feel free to invite them along too.

Pre-retirement seminar timetable

| Date | Location |
|-------------|---------------|
| 5 November | Maitland |
| 13 November | Penrith |
| 14 November | Coffs Harbour |
| 15 November | Ballina |
| 20 November | Campbelltown |

To attend one of our free financial seminars near you, call **1300 369 901**. Alternatively you can book a seat by emailing: info@futureplus.com.au

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Introduce your kids to a home loan



You may own your own home, but the chances are that you have children who still have a mortgage or who are looking to get into the property market.

One way they can reduce the burden of high interest rate rises is to ensure that they have a home loan which comes at a competitive rate and without unnecessary fees and charges.

Chifley Home Loans, which was created especially to help our members own their homes sooner by offering them lower interest rates, funds its loans from an Authorised Deposit-taking Institution (ADI). The ADI, along with banks, is subject to regulatory standards under the Banking Act 1959 and overviewed by the Australian Prudential Regulation Authority (APRA). Other non-bank lenders may not be subject to such prudential standards.

Why are we so fussy? Because Chifley is part of a member-based organisation that includes the Local Government and Energy Industries Superannuation Schemes and our services are designed to benefit our members.

This allows you or your kids to enjoy a low interest rate product that doesn't have application or monthly account keeping fees. We also have experienced and helpful staff who can advise you or your family on any aspect of home loan lending - without obligation.

So if you or your children are interested in a loan for a new home, an investment or if you simply want to re-finance an existing loan, why waste your money on higher rates or unnecessary fees? Talk to Chifley instead. Call us on **1800 800 002** or check out our website at www.chifley.com to find out about our 5 star, fee-free*, low-rate loans.

* Conditions apply. Legal and government and other fees may apply. Fees, charges and all loan details will be disclosed in the loan contract. Some charges such as valuation fees and costs charged by the lender's solicitors are payable. These charges may be non-refundable should they be incurred and the loan is not proceeded with. An early repayment fee may be payable. Chifley Financial Services Limited (ABN 75 053 704 706, AFSL: 231148), trading as Chifley Home Loans, provides services through an agreement with Select Credit Union Limited (ABN: 20 058 538 140, AFSL: 238257). Chifley Financial Services Limited does not guarantee the obligations of Select Credit Union Ltd. Chifley Financial Services Limited is co-owned by the Local Government Superannuation Scheme, the Energy Industries Superannuation Scheme and Unions NSW.

What's on in NSW?

Rose Spectacular at Hunter Valley Gardens

When: 11 October – 16 November
Where: Hunter Valley Gardens, Broke Road, Pokolbin.
What: Take the opportunity to see Hunter Valley Gardens blooming with over two million roses. Includes rose talks and demonstrations.

Find out more: Phone 4998 4000 or visit www.hvg.com.au

Australian National Shearing and Wool Handling Championships

When: 28 – 29 November
Where: Hay Showground, Hay.
What: Watch elite Australian shearers from each state and the current Australian National Team in their bid to be selected for the 2009 Australian Shearing Team for competition at international level.

Find out more: Phone 6993 4000 or email: info@shearoutback.com.au

Ballina Rivafest 2008

When: 30 November
Where: Fawcett Park, Ballina.
What: Dance and arts, live entertainment, water activities, cultural and heritage displays and amusement rides, regional cuisine, ending with a spectacular fire show finale on the river.

Find out more: Phone: or visit www.ballinarivafest.com.au

Parkes Apex Christmas Parade

When: 4 December
Where: The main street of Parkes
Find out more: Phone 1800 624 365 or visit www.visitparkes.com.au

2008 Grabine Music Muster Festival

When: 5 – 6 December
Where: Grabine Lakeside State Park
What: Country music, country rock, cowboy songs and country songs.

Find out more: Visit www.grabinemusicmuster.com.au

National Cherry Festival

When: 5 – 7 December
Where: Young Township.
What: Pick your own cherries in the Cherry Capital of Australia and enjoy all the town has to offer.

Find out more: Phone 6382 3394 or visit www.visityoung.com.au

Great Inland Fishing Festival

When: 5 – 7 December
Where: Copeton Dam, Inverell.
What: Inland fishing festival with great prizes.
Find out more: Phone 1800 067 626 or visit tourism@inverell.nsw.gov.au

The Tuggerah Lakes Mardi Gras Festival and Ducks for Bucks Race

When: 6 – 7 December
Where: Memorial Park, The Entrance.
What: Enjoy the parade and the ducks for bucks race.

Find out more: Phone: 4333 5377 or visit www.theentrance.org

2008 Premier's Christmas Gala Concert

When: 9 - 10 December
Where: The Sydney Entertainment Centre, Darling Harbour.
What: All tickets are free but strictly limited.
Find out more: Phone 9963 9970 or visit www.ticketmaster.com.au

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28 Margaret St

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Shop 2/209 Baylis St

Wollongong
Shop 2/60 Burelli St

Albury*
621 Dean St

Office hours 8.30am - 5.00pm
Monday - Friday

*Bookings are essential. Phone 1300 883 788 to make an appointment.

How have investment markets performed

The September quarter was a disappointing one for investors who weren't sitting in cash or fixed interest. Following some improvements in August, share markets ended the three months deeply in the red as concern mounted about whether the US economy was heading for recession and the safety of its financial sector.

Several large US financial groups faltered as their debt soared in the wake of the US's sub-prime loan crisis and global credit crunch. Among them were lenders Fannie Mae and Freddie Mac, Lehman Brothers, Merrill Lynch, American International, Wachovia and Washington Mutual. In Europe, companies like HBOS, Bradford and Bingley and Fortis were also unable to escape the turmoil in global markets.

This turmoil and worries about the deteriorating balance sheets of other US banks almost brought normal banking operations to a halt and looked set to stifle global economic activity. The US Federal Reserve and the US Treasury quickly stepped in with a dramatic rescue plan to take over troubled assets from struggling institutions. The fact that the rescue plan was defeated in the US Congress just as the September quarter drew to an end caused share markets around the globe to fall. It has since been passed.

Australian shares

Shares in Australia did not escape the carnage on world financial markets. Australian banks appear to be well capitalised and profitable when compared with their US counterparts. Nonetheless, local investors worried about the impact of weaker economic conditions and softening consumer spending in Australia, a possible recession in the US and a spate of bad news about the Chinese economy. [China's boom and its demand for our resources have helped fuel Australia's economic growth in recent years.]

Mining stocks came off strongly, contributing to the S&P/ASX 200 Accumulation Index's fall of 10.4 per cent over the quarter. Shares were dragged down more heavily towards the end of September when the US government's

rescue plan was initially defeated in Congress. The market is now down 26.8 per cent over twelve months.

International shares

Investors fled from equity markets as concerns grew about the US economy and the problems in its financial system. World markets, as measured by the MSCI World Net Accum Index, fell by 15.7 per cent in the September quarter. In September alone, they slumped 10.8 per cent although this translated to a fall of 3.6 per cent in Australian dollar terms because of a significant weakening in the value of the Australian currency against others.

All major share markets fell sharply with equity markets in emerging countries performing worse than those in developed nations.

Listed Property Trusts (LPTs)

The global financial crises encouraged investors to take a closer look at LPTs and their earnings, and to shun groups that have funded their operations through the heavy use of debt. Some LPTs have experienced difficulties in rolling over their debt and have cut dividends or have tried to sell some of their assets. A slowdown in future rental income and the exposure some LPTs have to slowing overseas markets have also worried investors.

Following a poor performance in the previous financial year, the S&P/ASX 300 Property Trust Index fell a further 1.7 per cent over the quarter despite making some gains in August. It ended the year to September down 40.4 per cent.

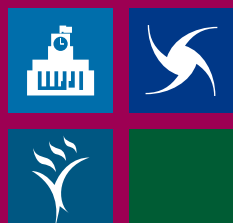
Fixed Interest and Cash

As the global financial crisis took hold, investors sought refuge in government and highly rated bonds and avoided the lower rated corporate bond market which has suffered from a rise in defaults and funding problems in the wake of the credit crunch. Australian bonds returned 5.3 per cent over the September quarter (UBS Australian Composite Bond Index) while international bonds grew by 2 per cent (Lehman Bros Global Aggregate \$A Hedged Index). Cash, as measured by the UBS Australian Bank Bill Index, returned 1.9 per cent for investors in the September quarter.

Please note that the information contained herein is of a general nature only. It has not been prepared taking into account your particular investment objectives, financial situation and particular needs. You should assess whether any advice is appropriate to your individual investment objectives, financial situation and particular needs before making any investment

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