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Issue 3 | December 2008

### A word from the CEO

Welcome to our final newsletter for 2008. At year end the volatility in the market place continues unabated...[Read more](#)

### Investment News

The past few months have been extraordinarily difficult ones in the world's investment markets. In fact, in many cases assets are not just being priced for worst case outcomes but rather for the worst imaginable outcome and then some. [Read more](#)

### Online Survey Results

We recently conducted a brief online survey... [Read more](#)

### Catholic Super Pension Service Centre

If you need any help with your pension, such as making lump sum withdrawals or changing your personal details, don't hesitate to call 1300 730 327. [Read more](#)

### New Website

We are launching a new look website at [www.csf.com.au](http://www.csf.com.au) before Christmas - keep a look out!

### Going Green Update

We've continued to lessen our impact on the earth's resources and saved money as well - Online Annual Report, MemberAccess enhancements, Online Statements and more. Also Catholic Super's head office is powered by Green Power provided by Origin Energy... [Read more](#)

### Changes to the Commonwealth Seniors Health Card

Changes to the Commonwealth Seniors Health Card (CSHC) were announced in the 2008/09 Federal Budget. [Read more](#)

### Economic Security Strategy\*

By allocating a \$10.4 billion package to support Australian households, the Australian Government has taken action which is designed to protect the Australian economy from the global financial crisis. [Read more](#)

\*Prime Minister Media Release, 14/10/08



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**Catholic Super**  
Level 1, 333 Collins Street, Melbourne VIC 3000  
GPO Box 2163, Melbourne VIC 3001



## A word from the CEO

Welcome to our final newsletter for 2008. At year end the volatility in the market place continues unabated and has been dictating the investment outcomes for most members.

Catholic Super's investment policy recognises that there will be positive and negative years and in the medium to long term the returns will recover. Exposure to public markets will involve temporary falls in value but generally markets will recover strongly. In a well diversified portfolio such as ours, values will recover reasonably over time.

What has given Catholic Super its strength and purpose are the ideas, deliberations, decision making and implementation of those decisions by the Directors and staff. The challenge is to be humble in accepting the market judgement but to aim to still do better in ensuring that we can provide the best outcome for you, our members - Catholic Super's number "one" priority.

We must accept the opportunities being presented and by accepting that "What has been, what is, and what will be" will converge over time, Catholic Super can grasp the opportunities to invest in different markets, new industries and different technologies.

The one who is prepared to be different in this market may well be number one for members into the future. I do not pretend to know what all the changes are but I have confidence that staff not only have the ability, but feel motivated by the challenges and opportunities presented.

As we say good bye to another year and prepare to celebrate the birth of Jesus – let's reflect on the past and be reminded of the wonderful opportunities that new life brings to all. Thank you for your wonderful support – Catholic Super simply says thank you.



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## Investment Update

The past few months have been extraordinarily difficult ones in the world's investment markets. In fact, in many cases assets are not just being priced for worst case outcomes but rather for the worst imaginable outcome and then some.

The problem is short term uncertainty. Most investors now agree that share prices, in particular, have rarely been cheaper and that shares are a very good investment on, say, a three year view. However, the level of short term uncertainty is high? Common questions we get asked are: "Will they get cheaper?" or "How long before they go up again?".

We don't know the answers to such questions. What we do know is that the markets are fully aware of all of the risks around in the world today and have priced assets as if each of those risks comes to fruition.

The markets know that the US, European and Japanese economies are in recession and have priced in a very long and deep downturn.

The markets know that the Chinese economy has slowed dramatically and so the Chinese share market has fallen by around 70%.

The markets know that there is a significant risk of recession in Australia and, rather than just price that in as a risk, the markets have assumed a full blown recession deeper than that in 1990-91. As a consequence Australian share prices have halved since their highs.

However, virtually nothing is priced assuming that either these risks are overstated or that things will eventually come right. This is particularly so in the case of our own economy. Unlike every other significant developed economy, Australia went into this crisis with a very strong economy, a budget surplus and high interest rates. This means that no other developed economy has our capacity to both massively cut interest rates and increase government spending.

In other words, if Australia can get over 'deficit-phobia' we have an enormous potential to spend our way out of this crisis.

We are fortunate that our economic policy makers have reacted with uncommon speed in totally changing the direction of Australian economic policy. Interest rates have already been cut at a faster pace than in 1990, while the Government has moved very quickly to relax fiscal policy and increase spending.

As a consequence, as dark as things may appear, and as gloomy as some of the economic news will be over the coming year, all of this has been priced into markets. What has not been priced in is the fact, that things might not really be as bad as they first appear and that there will be an end to the downturn.

Timing markets is a very, very difficult thing to do. Certainly we wish that we had sold even more shares than we did over the past two years, but to sell now would only be to compound the hurt of recent events.

Rather, we see the current market as a chance to buy very good quality assets at very cheap prices. As long term investors we see an opportunity to profit from the panic of others and we have been buying not selling.

We have no way of knowing whether shares will get even cheaper than now, but if they do we will endeavour to buy more because when the markets eventually decide that things cannot get any worse, they are likely to aggressively price in the following recovery. History shows us that investors who wait until that point most often get left behind and do not buy back in until prices have risen strongly and it is too late to recoup their losses.

**Tim Hughes**  
**Chief Investment Officer**  
**8th December 2008**

## Online survey results

We recently conducted a brief online survey to ascertain whether our members would be interested in the following:

- receiving annual statements online
- a debit card linked to their pension account for ad hoc withdrawals
- the ability to make ad hoc withdrawals from their pension online.

Over 700 members responded giving us some valuable feedback. 79% of respondents wish to receive their annual statement online.

79% would be interested in making ad hoc pension withdrawals online which would transfer the money to their bank account. 69% showed interest in using a debit card for that purpose. 64% of respondents indicated they would prefer the online withdrawal facility rather than the debit card. Having use of a debit card would be "Too tempting – too easy to dip into savings", commented one member.

We also asked members what topics they would like us to cover in our communications to them. The most common topics of interest were; growing your super, investments, member services (discounts and special offers) and financial advice.

Thank you to all who took part in our survey and "congratulations" to Tony Mizzi who won the competition for the digital photo frame.



**'Over 700 members responded giving us some valuable feedback...'**

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## Catholic Super Pension Service Centre

Our Pension Service Centre has been operating for several months now and has been extremely well received. The phone number is 1300 730 327 and the friendly voices that answer your calls belong to Linh Nguyen and Lisa Ostrom.

Linh and Lisa have been very busy over the last 3 months taking more than 1340 calls in that time. Many of those calls resulted from the Annual Statements being mailed to members in September, as well as the continued volatility of investment markets.

We expect another high volume of calls in late January after half yearly statements are sent to pension members.

During the last week Lisa and Linh have taken quite a few requests for new pensions which appears to be a result of Catholic Super's Pension being rated in the Top 10 in performance tables recently published in various newspapers.

If you need any help with your pension, such as making lump sum withdrawals or changing your personal details, don't hesitate to call 1300 730 327.



**'Call our Pension Service Centre on 1300 730 327 ...'**

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## Going Green update

We've continued to lessen our impact on the earth's resources and saved money as well.

By putting the Annual Report online and only printing and posting on request, we made a huge saving of resources, money and time, as less than 40 copies have been mailed out. Thanks so much for supporting that initiative.

The office here at Catholic Super is powered by **Green Power** through Origin Energy.

We are introducing more online tools and transactions next year. Several online services we have already put in place are:

- **MemberAccess** - our online secure account facility for members, has had a few recent enhancements:
  - **Forgotten Password Facility** - You can add a forgotten password function so you don't have to call us if you forget it in the future. You find this in your profile area and need to set up several security questions
  - **Missing details alert** - if we are missing your email address, tax file number and other vital information you'll be prompted when you first log into MemberAccess
  - **Link your accounts** - if you have both a super and a pension account with us, you can now request these to be 'linked' in MemberAccess so you only have to log in once. Call our Pension Service Centre on 1300 730 327 for this to be done for you
- **Online Statements** - you can now receive your annual super statement electronically from 2009 onwards, so no more paper! In MemberAccess within your profile area, you can select the option to receive your online statement for 2009 and ongoing! Go online now and request this or if you do not have a MemberAccess account you can call us on 1300 550 273 to set one up and/or advise you wish to receive your statements online
- **Coming soon! Register online for MemberAccess** - currently you must call us to register for MemberAccess, but soon we will launch this registration process to be done from our website. It will have the same security checks in place, i.e. you must provide your Catholic Super member number and personal details as we would need them to set this up - this will be live by the new year



**'The office here at Catholic Super is powered by Green Power through Origin Energy...'**

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## Changes to the Commonwealth Seniors Health Card

**Changes to the Commonwealth Seniors Health Card (CSHC) were announced in the 2008/09 Federal Budget.**

From 1 September 2008, customers claiming a CSHC will be asked to provide Centrelink with their own Tax File Number (TFN) and their partner's TFN. If they are unable to supply it, they will be asked to explain why. Claims for a CSHC will only be approved if a Tax File Number is provided, unless a suitable reason is given.

In coming months, Centrelink will write to all CSHC holders asking them to provide their Tax File Number if they have not already done so. Cardholders will also be asked to provide income details so that their eligibility can be checked. Centrelink also plans to match data with the Australian Taxation Office to ensure that CSHC holders remain eligible for their card.



**'In coming months, Centrelink will write to all CSHC holders asking them to provide their Tax File Number ...'**

## Economic Security Strategy\*

**By allocating a \$10.4 billion package to support Australian households, the Australian Government has taken action which is designed to protect the Australian economy from the global financial crisis.**

\$4.8 billion will be delivered to Australia's four million pensioners, carers and seniors as a down payment before comprehensive reform of the pension system next year.

Lump sum payments of \$1,400 to single pensioners and \$2,100 to pensioner couples will be paid in the fortnight between 8 and 19 December 2008.

The payments will benefit:

- Age Pensioners
- Disability Support Pensioners
- Carer Payment recipients
- Wife and Widow B Pensioners
- Partner, Widow and Bereavement Allowees
- Veterans' Affairs Service Pensioners
- Veterans' Income Support Supplement recipients
- Veterans' Affairs Gold Card holders eligible for Seniors Concession Allowance
- Those of age pension age who receive Parenting Payment, Special Benefit, or Austudy
- Eligible self funded retirees holding a Commonwealth Seniors Health Card (CSHC).

People who are receiving Carer Allowance will also receive \$1,000 for each eligible person in their care.

The payments are intended to provide additional support in the 9 months between now and when long-term reforms are introduced from the beginning of the next financial year.

This is in addition to the \$500 bonus and increases in the Utilities Allowance and other allowances made by the Government earlier this year.

\*Prime Minister Media Release, 14/10/08



**'\$4.8 billion will be delivered to Australia's four million pensioners, carers and seniors...'**

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