

ACHIEVE

SPRING 2020

It's time to feel good about your super

THE PLUS SIDE

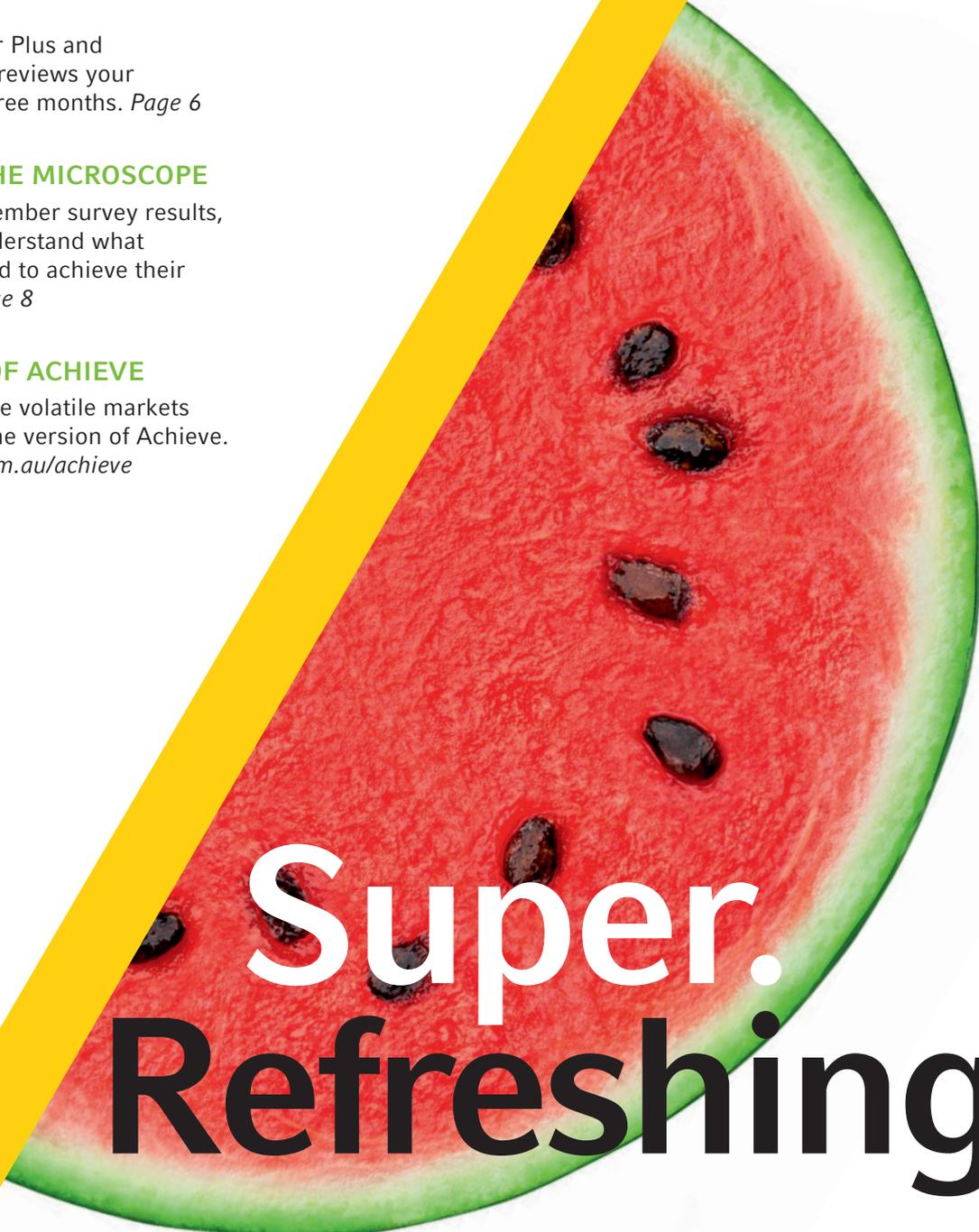
Discover GoalTracker Plus and how it automatically reviews your investments every three months. *Page 6*

SUPER UNDER THE MICROSCOPE

Take a look at our member survey results, helping us better understand what Australians most need to achieve their retirement goals. *Page 8*

GET MORE OUT OF ACHIEVE

Learn how to navigate volatile markets and more in the online version of Achieve. russellinvestments.com.au/achieve



Super.
Refreshing.

Super has just changed for the better. See how the 2020 Innovation of the Year can help you achieve your great life after work. *Page 4.*



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ANNUAL MEMBER MEETING – YOU’RE INVITED

You’re invited to attend our first online Annual Member Meeting in November.

You’ll hear from our Management team and the Board of Directors on the key events of the last financial year, our innovations and plans for member services, and the latest updates on investments and performance. You’ll also have the chance to ask any questions you may have about the Fund.

DATE AND TIME:
Tuesday 10th November at 12.00pm (NSW time)

Register your interest to attend at:
russellinvestments.com.au/AMM

After registering, we’ll send you a link to the event and details on how to submit your questions.

WE’RE HERE TO HELP YOU

Call 1800 555 667
Email iq@russellinvestments.com.au
Website russellinvestments.com.au/super



Chant West has awarded Russell iQ Super – Employer, Russell iQ Super – General, Russell iQ Super – Saver and Russell iQ Retirement 5 apples for 2020. For further information about the methodology used by Chant West, see chantwest.com.au



The Heron Partnership has awarded Russell iQ Super – General, Russell iQ Super – Employer and Russell iQ Super – Saver a 5 star quality rating for 2020/21.



The Heron Partnership has classified Russell iQ Super – Employer as a Top Ten Corporate Product in respect to its Insurance Features for 2020/21.

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Welcome to the GoalTracker™ edition of Achieve.

Many of us are facing challenges and difficulties we could not have foreseen when the year began. Now more than ever, is a time to make things simpler and trouble-free. Knowing many people find super confusing and complex, we’ve launched GoalTracker – to make super a whole lot easier.

Super is compulsory for nearly all working Australians and is designed to fund our retirement years. But even if we know it’s important, super can be daunting and we can be uncertain about how to go about making sure we will have enough later in life.

At Russell Investments, we believe a more personalised, goals-based approach will help. We want to make things simpler by helping you focus on more tangible things—like selecting your retirement lifestyle—so that your super becomes more real. By understanding how you’d like to live in retirement, we can calculate how much you’re likely to need each year to fund that lifestyle. And once you have that goal, we’ll show you if you’re on track to achieve it.

We can then build your super around you by designing a personalised investment strategy just for you. Why is that important? Many Australians don’t realise that alongside contributions, investment strategy is a key factor in

determining whether they will end up with enough for retirement. So, when we designed GoalTracker we made sure we could help members invest based on their personal situation, and in a way that gives them a better chance of reaching their goal.

On top of this GoalTracker gives you a personalised tracker so you check in at any time and see your progress and also provides support and guidance throughout your working life to help you get and keep your super on track.

We’re so excited about GoalTracker that we devoted most of this issue to explaining what it’s all about. I hope you enjoy finding out more.

Emma Barrett

Director
Member Services
Russell Investments

AWARD-WINNING INNOVATION BEST FUND INNOVATION 2020 FOR GOALTRACKER



For further information about the methodology used by Chant West, see www.chantwest.com.au

SUPER SIMPLICITY.

Find super confusing, complex and better left for another day? The good news is, you're not alone. The better news is, with the right tools and a guide to help you along the way, saving for your future could be easier than you think.

Super is designed to help fund your lifestyle when you stop work. You and your employer put money into your account and over time it's likely to grow into one of your biggest financial assets during your working life. But how do you know if your super is on track to pay for the lifestyle you want in the future?

Setting a goal is the first step to turning your dream into a reality. With our latest innovation, you can easily and painlessly set a goal for your future. And the best part? Once you've set your goal, we build your super around you to help you achieve it.

GOAL SETTING: LONG-TERM VISION, SHORT-TERM MOTIVATION

Often, just the word 'retirement' makes it easy to tune out. We get it, why care about your super if you can't access it for another 20 years or more. But here's the catch. The choices you make now can make a big difference to the type of lifestyle you'll live in retirement.

Setting goals is an effective way to imagine your ideal future, and to motivate yourself to work towards that vision. Goals give you a target and direction and, when you can measure them, provide a clear benchmark for determining if you are actually on course. Whether you're an avid goal-setter or take a more ad hoc approach, most of us know the focus a goal can bring.

SETTING A MEANINGFUL GOAL FOR YOU SUPER

When you start thinking about retirement, it can be overwhelming. Like how much do you need to fund your desired lifestyle in retirement? Are you saving enough? How do you get your super on track?

Each of these questions can be difficult to answer on its own, let alone tackling all of them at once. GoalTracker helps by breaking it down into a set of simple steps.

THE SMART STUFF

Setting a goal and tracking your super with GoalTracker is a great start. Through GoalTracker Plus you can also build a personal investment strategy based on you, to give you the best chance of achieving your goal. *Turn over to find out how.*



GoalTracker leads you through four simple steps

1

GET A CLEARER PICTURE OF YOUR FUTURE

By telling us more about yourself, GoalTracker will show you the income you're heading for in retirement. Using details about your life now, like whether you have other super accounts or when you'd like to retire, GoalTracker sets the scene, clearly showing how much to expect each year in retirement.

2

SET A GOAL THAT'S RIGHT FOR YOU

We help you with that all important step of visualising your future. Through a mixture of images and words, you can tell us whether you expect to cover the basics, live comfortably or be aspirational across a range of lifestyle categories in retirement. Even if you've never thought about it, we can really help you imagine your ideal retirement, turning your choices into a meaningful, tangible retirement income goal.

3

PERSONALISED TRACKER

Much like a fitness tracker, you can check how you're tracking to your retirement income goal at any time, helping to keep you motivated and take positive steps towards your future.

4

PERSONALISED SUPPORT

Along the way you'll receive suggestions to get and keep your super on track. And if you want to speak with an expert, Russell Investments' one-to-one guidance is there when you need it.



To get started with GoalTracker

Login to your online account at russellinvestment.com.au/login and checkout your dashboard. If you haven't logged in before it's easy to register at russellinvestments.com.au/register – you'll need your member number which you can find on your latest statement, email or letter from us.

THE PLUS SIDE.

How your super is invested has a big impact on how much money you'll be able to withdraw from it in the future. But if you're not an expert, choosing the right investments can be tricky, particularly in times of economic crisis, where strong emotions can play a heavy hand in decision-making.

When it comes to your super, successful investing is about balancing risk and return in a way that helps you to achieve your retirement income goal. But finding that balance, for your personal situation at different points in your life, is not easy.

If you don't take on enough risk when you're further from retirement, your super won't have time to grow. However, too much risk at the wrong time, could reduce your hard-earned savings.

Because it's all too hard many super investors rely on their super fund to look after them and believe their fund is doing more than they actually are. A recent survey of more than 3,000 working Australians revealed more than a third of people think that their fund is managing their super investments based on their personal circumstances. In reality, this isn't true.

We've taken a look at how Australians see their super – turn over to learn more about this and other misconceptions.

PERSONALISED INVESTMENTS BUILT AROUND YOU

We have all seen the advances that technology is making in identifying what we like and what we do. We've taken this know-how and applied it to the way we invest your money.

Earlier this year, we successfully launched our new default option – GoalTracker, which automatically invests a member's super based on what it knows about them.



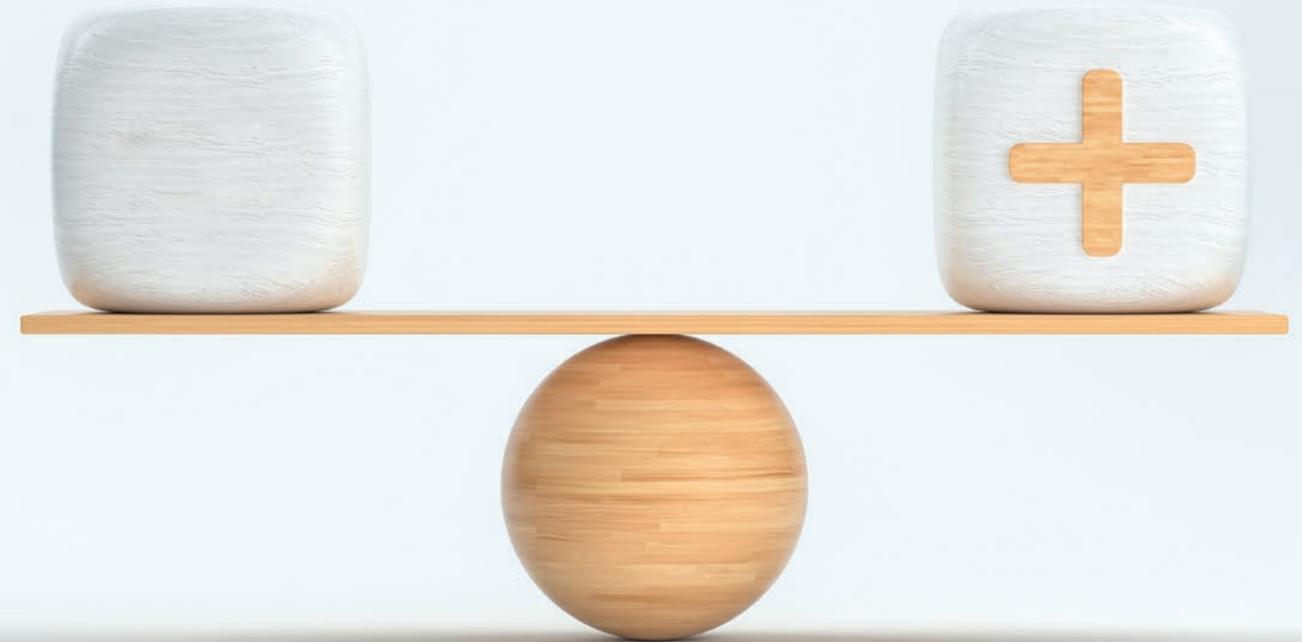
GoalTracker Plus takes the guesswork out of how to invest your super; just set a goal and GoalTracker Plus will optimise your investments to give you the best chance of achieving your goal.

BUT WE CAN DO EVEN BETTER

By giving us additional information including your retirement income goal your investment strategy can be further personalised with GoalTracker Plus.

And to ensure it remains appropriate for your circumstances, GoalTracker Plus will automatically review your investments every three months and when necessary will make any adjustments required.

You'll also receive regular updates showing you how you're tracking to your goal, how your investments are being managed and other suggestions to get your super on track.



Three ways to create your investment strategy



SET BY YOU

- You build your own investment strategy by choosing from our investment menu.
- If you are invested in more than one investment option you can elect to have your investments rebalanced each month.
- We update you on your investments once a year via your annual statement and you decide when to make changes.



SET BY GOALTRACKER

- GoalTracker creates an investment strategy based on information it knows about you such as your age.
- GoalTracker automatically reviews your investment strategy once a year.
- We update you on your investments once a year via your annual statement.



SET BY GOALTRACKER PLUS

- GoalTracker Plus personalises your investment strategy based on additional information provided by you, such as your anticipated retirement age, retirement income goal and other savings you have.
- GoalTracker Plus automatically reviews your investment strategy four times a year.
- You receive four check-ins each year and your annual statement.
- There is no additional cost to you for ongoing advice on your investment strategy*.



Discover GoalTracker Plus

To find out more about personalised investments and how GoalTracker Plus can help you reach your retirement goal visit russellinvestments.com.au/goaltrackerplus

* If you are invested in the GoalTracker Option, there is no additional cost for GoalTracker Plus. If you are invested in another investment option, your investment fee could increase or decrease. For more information review the Product Disclosure Statement available in your online account.

Super under the microscope.

We recently surveyed members to help us better understand what Australians most need to achieve their retirement goals. Here's what we found.

GOAL-SETTING AND GOAL-TRACKING

69%

either do not know if their super is on track, or know their super is behind where it needs to be.



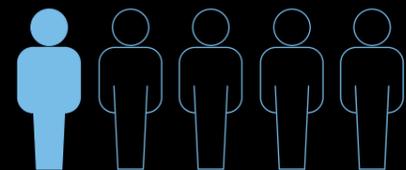
Of those who have set goals, only **21%** know how to achieve them.

AUSTRALIANS' MOST COMMON MISCONCEPTIONS AROUND INVESTING IN SUPERANNUATION



Two-thirds think their super fund pro-actively protects their savings from potential losses.

More than a third think their super is managed based on their personal circumstances – even if they do not actively choose how their super is invested with their fund.



The majority underestimate the importance of asset allocation. Just **one in five** correctly identify asset allocation as one of the most important factors in achieving adequate retirement savings.

SUPER INVESTMENT CHOICES

67%

don't know how their super is invested, or leave it to their fund's default investment approach.

Of those who have made an active super investment choice, only **30%** believe they have the right experience to pick their investments.



28%

admit that while they do not know enough to do so, they have picked their own investments.

More than one in five did not know they could choose their investments in super.

One in four rely on friends or relatives with financial knowledge to make investment choices, with only **three in 10** referencing information from their super fund.

This study was conducted between 8-14 January 2020 with a nationally represented sample of 3,015 working Australians (aged 18-65) who do not currently use a financial planner or have a self-managed super fund.

CHANGES TO NOTE.



Keep up to date with the latest super rules and changes to your fund.

EARLY ACCESS TO \$10K OF YOUR SUPERANNUATION

In March 2020, the Federal Government announced a range of financial assistance measures to support Australians impacted by COVID-19. This included a temporary change to superannuation legislation to allow the early release of super savings.

Members who satisfy the eligibility criteria were able to access up to \$10,000 of their superannuation in the 2019-20 financial year, and can now access a further \$10,000 in 2020-21. To apply for early release, you must satisfy any one or more of the following requirements:

- you are unemployed; or
- you are eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance; or
- on or after 1 January 2020:
 - you were made redundant; or
 - your working hours were reduced by 20 per cent or more; or
 - if you are a sole trader – your business was suspended or there was a reduction in your turnover of 20 per cent or more.

It's worth noting that the ATO have recently reported that they are matching data to verify whether applicants actually do satisfy the eligibility criteria.

Together with the potential longer-term impacts to your super savings and the spike in coronavirus related scams, there's a lot to consider before making any decisions.

You can apply directly to the ATO through the myGov website at my.gov.au if you meet eligibility conditions. Applications for the 2020-21 financial year must be submitted between 1 July and 31 December.

INSURANCE CHANGES PUTTING MEMBERS' INTERESTS FIRST

Recent Government rules aim to protect low balance and inactive super accounts from being inappropriately eroded by fees and insurance premiums. New laws, known as 'Putting Members' Interests First', meant that on 1 April 2020, we cancelled insurance cover for members whose account balance remained below \$6,000 between 1 November 2019 and 1 April 2020. If you were affected by this new law we contacted you last year to let you know your options.

In addition, from 1 April 2020, members who are under 25 or have a balance under \$6,000 will no longer receive automatic insurance cover when they join. This does not apply if you are a defined benefit member or your insurance premiums are paid in full by your employer (and they have notified us of this).

This change also affects existing members who are under 25 or have a balance less than \$6,000 who move divisions within the fund, for example if they leave their employer. Insurance cover will not be carried into the new division automatically and members will need to opt-in to continue their cover.

New members or members moving divisions are able to opt-in for automatic cover if they meet the eligibility criteria by updating your details online at russellinvestments.com.au/login or completing the Insurance Opt-In Form available at www.russellinvestments.com.au/forms.

AUSTRALIAN CASH OPTION INVESTMENT FEE REDUCED

On 31 January 2020, we reduced the standard investment fee for the Australian Cash Option from 0.16% p.a. to 0.07% p.a.

INCREASE TO THE MINIMUM BALANCE

Unless you are a member of the iQ Super – Employer Division or iQ Super – Business Division, you must maintain a minimum balance of \$6,000 (previously the minimum balance was \$2,000). If your balance is less than \$6,000 your super may be transferred to the SuperTrace Eligible Rollover Fund. Payments to SuperTrace are processed monthly. We will write to you before we transfer your account to let you know your options.

ACTING NOW, REWARDED LATER.

A good decision now can reap major benefits later on. iQ Super member and winner of the Now and Later competition, Annie knows this. After deciding to combine her super into one account, Annie collected \$10,000 in travel vouchers and a \$10,000 boost to her super.

We sat down with Annie, 26, to talk travel plans and why combining your super just makes sense.

A WINNING MOVE

Annie decided to combine her superannuation when she started a new job late last year. The Adelaide-based journalist realised her super was spread over several accounts, and knew it was better to have a single fund.

"As I progress in life, I'm looking to take better care of my money," she says. One of the best ways I can do that is to put all my super into one account, so I can save on fees now and manage my super more easily over the long-term. When I started a new job I decided I would combine all my super into my new Russell Investments account."

Little did Annie know that she had also put herself in the running to win a pretty big boost to both her super and her travel plans.

PERFECT TIMING

For Annie, a journalist from Adelaide, winning a travel voucher couldn't have come at a better time. "I have always been a career person, but decided it was time to take a step back to achieve some personal goals, and travel is one of them," she explains. "I was born in Russia and grew up in America, so I've always been curious about seeing different places, but since moving to Australia I've never given myself time to explore anywhere else."

Annie was quick off the mark to start using her travel prize, buying an air ticket to Italy, which she has put on hold due to COVID-19. However, the upside of waiting means she now has more time to plan her adventures. "I'm very excited, but apart from booking Italy, I don't have anything set in stone. I do like to improvise, so I'll have to wait and see where I go."

SUPER SMART

For Annie, what was even more valuable than the travel voucher was the contribution to her super. "I'm even more excited about winning the \$10,000 for my super, as it can go far for me in the long term. It's a smart decision to invest what I can now, to set me up for later."

It's true. Annie's \$10,000 could grow to around \$90,000 by the time she retires, giving her an extra \$1,300* or so each year in retirement—perhaps to keep traveling if she still has the urge.

WHY COMBINE YOUR SUPER?

If you've had more than one job, it's likely your superannuation will be spread over multiple accounts. Not only does this make it harder to manage, but you will be racking up fees on all your different funds. So, combining your super now could save you money.

At only 26, Annie is still in the early stages of her financial life, but is glad she hasn't waited to consolidate her super into the one account. "I figured the sooner I did it, the better off I would be."

*Based on default assumptions in the ASIC Moneysmart retirement calculator with the following assumptions: administration fee of \$74 p.a., nil insurance fees, investment fees 0.85% p.a., investment returns before retirement of 7.5% p.a. and after retirement of 6.5% p.a., inflation of 3.2%, retirement age of 67, retirement length of 23 years. In 'today's dollars' the amount is \$24,954 using a 'deflator' of 3.2% p.a.



"I JUST CLICKED A FEW BUTTONS"
Combining your super may sound complex, but that couldn't be further from the truth.

"It was so easy and convenient – I literally just clicked a few buttons, and found several accounts from when I was younger," Annie says.

Describing herself as more of an improviser than a dreamer, setting plans isn't so important to Annie as having financial freedom. She is now able to feel more confident about her future – wherever it might take her.

Combine your super and win 1 of 10 Apple iPads.*

Head to russellinvestments.com.au/win or call us on **1800 555 667** to find out more. Before you combine your super, you should compare the fees you pay, as well as find out about any entitlements or insurance cover that might stop when you close your other account.

*Terms and conditions are available at russellinvestments.com.au/win. A minimum consolidation amount applies. The promotion starts at 00:00 hrs on 01 April 2020 and closes 24:00 hrs on 31 December 2020 (promotional period). Before combining your super into your iQ Super or Resource Super account, you should compare the fees you pay and check with your other funds to see out about any entitlements or insurance cover that might stop when you close your other account. This prize is paid for by Russell Investments Employee Benefits Pty Limited and is not funded by superannuation money. Authorised under trade promotion permits NSW Permit No. LTPS/20/43207. ACT Permit No. TP20/00494. SA Permit No. T20/429.



A super improvement.

Easy to understand and simple to manage, GoalTracker is designed to help you improve the chance of achieving your retirement income goal.

GET STARTED

Login to your online account at russellinvestments.com.au/login and checkout your dashboard. If you haven't logged in before it's easy to register at russellinvestments.com.au/register – you'll need your member number which you can find on your member card, annual statement, a letter or email from us.

