

Christian Super Member News

NOVEMBER 2005

>> INSIDE

>> FINANCIAL COACHING AND ADVICE P.1-2

We could all do with some help

>> INCOME PROTECTION - WORTH A LOOK P.3

What cover should you have?

>> KEEP YOUR FEES DOWN P.4

Have more to retire on!

Are you getting good financial advice?

A Personal Money Coach can be great value

In April this year we introduced a new service to give members access to personal money coaching and financial advice through Money Solutions.

>> WHAT SOME MEMBERS SAID

Since the introduction of this service, over 200 members have received financial advice from Money Solutions. A third of members who used this service sought financial advice to plan their retirement.

Many members who spoke with a Money Solutions Coach received advice on a variety of single issues about their super, particularly on how to:

- >> Grow their super with personal contributions or co-contributions
- >> Compare and evaluate investment options to make the right choices
- >> Consolidate their super accounts into their Christian Super account

Here's what some of our members had to say about their Money Solutions experience:

"I appreciated the ease with which my Coach explained the Government's co-contribution scheme in a simple way I could understand."

"Our Financial Planner was very upfront and honest with me. She didn't tell us our goals were unachievable. She offered solutions and options we understood."

"I was concerned about whether I was in the right investment option - I don't want to lose my money. My Coach helped me choose the option that I was comfortable with."

"I just wanted a straight answer to my question - and got it."

>> Our Financial Planner was very upfront and honest with me.

"All I wanted was to put some plans in place for a comfortable retirement. I've spoken with other financial planners and it seemed too much like rocket science. It shouldn't be that hard. Money Solutions erased all that - everything was explained very simply to me."

"I have been looking for this advice and help - it made sense. How my planner approached it was simple and easy to follow."

>> HOW DO YOU KNOW IF YOU'RE GETTING GOOD ADVICE?

The financial advice you receive must focus on you, your current situation and the goals you want to achieve. Good financial advice means:

- >> You're heard and understood - your goals and what you want to achieve are most important.



Call
Money
Solutions



on 1800 068 317

- >> Personal Money Coach consultation
- >> Working Money® online education

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>> From the CEO
Paul Beckmann

This time we've certainly put together a lot more for you to read and consider. There's so much going on with your super! I do hope you find it all informative and helpful.

>> There's SO much going on with your super!

In an environment where many other funds are facing closure we need to secure our future as a uniquely Christian focused Fund. Christian Super is undergoing some important changes to cement our Christian distinctiveness:

- >> We're focusing on ethical investments, implementing a full restructure of our strategies and closing our general options. A special newsletter is included with this Member News that aims to explain our journey down the ethical path.
- >> We're opening to the public, giving all Christians throughout Australia the opportunity to have their super managed with Christian ethics.

>> Christian Super is undergoing some important changes to cement our Christian distinctiveness

The new Choice of Fund environment has opened exciting opportunities to grow our membership. I am pleased that there has been no noticeable move away from Christian Super since last July - on the contrary, there has been strong interest from many Christian individuals wanting to join us.

I pray that God will be pleased with our obedience and stewardship expressed through the way Christian Super is managed. I also hope that you will remain a loyal member and that we will serve you well throughout your working life and into retirement.

I join everyone at Christian Super in wishing you God's blessings and joy at Christmas and throughout the coming year.

Are you getting good financial advice?

continued from page 1

- >> Every option open to you has been explored and evaluated to help you make the right decisions - including how to grow your super, minimise your tax and make the most of Centrelink.
- >> There is a balance between the level of risk you're comfortable with and the return you will achieve on your investments.
- >> Your financial life is simplified - you have peace of mind about where you're going and feel comfortable about how you'll get there.
- >> You have a clear understanding of the fees that apply to your choices - no hidden fees.
- >> You have any verbal advice confirmed in writing; it meets your needs and is suitable for your situation.
- >> You're confident you're on track to achieve your financial goals.

Don't take the risk - good financial advice will help guard against mistakes that could cost you down the track.

>> ABOUT MONEY SOLUTIONS

Christian Super has partnered with Money Solutions to provide our members with cost effective and personalised financial education and advice. The coaches and financial planners are well versed in Christian Super's values and investment products, and some are Christians themselves. With their help, you can focus on what's important to you and be confident about achieving your money goals.

A Money Coach can help you when you are confused or just want to make sense of your super. If your financial affairs need more attention and you need a full financial plan then a Financial Planner will work with you to develop options and strategies to help you achieve your goals.

You pay for the services as you use them, and you can charge any costs for superannuation related advice to your Christian Super account. Your Coach will tell you the fee up front and you choose whether to proceed or not. Note that Money Solutions don't receive commissions, and they give you a money back satisfaction guarantee.

Money Solutions provide coaching and advice over the phone and can give you access to a web-based interactive education program. For detailed financial plans a face-to-face meeting can also be arranged in many parts of Australia.

>> HOW CHRISTIAN SUPER'S MEMBERS RATED THE MONEY SOLUTIONS SERVICE

THE SCORING SCALE:	3 - Neither agree nor disagree
1 - Strongly disagree	4 - Agree
2 - Disagree	5 - Strongly agree

	Average Score
1. You understand what was discussed and why	4.6
2. You got what you wanted from your Personal Money Coach	4.3
3. You are feeling more confident and motivated to act with your money based on your talk with your Personal Money Coach	4.3
4. You will follow the recommendations your Personal Money Coach has provided	4.4
5. You would you come back to Money Solutions and request the same Personal Money Coach	4.6
6. If you received written advice (Statement of Advice) it is easy to understand	4.7
7. You would recommend your Personal Money Coach to a friend or relative	4.4
8. You understand what Money Solutions offers to you	3.9

100% of members who used Money Solutions thought this is a valuable service for Christian Super to offer.

Income Protection is worth a closer look

>> HAVE YOU GOT IP COVER?

Income Protection cover (or salary continuance insurance) is a much-neglected aspect of financial protection for many people.

In Christian Super, less than a quarter of members have IP cover in place. Of those who do, their level of cover may not be adequate.

What about you? If you don't know how much cover you have right now, check your last Member Statement (or call our Helpdesk).

>> DO YOU NEED IP COVER?

IP cover is there to replace part of your salary if you are ill or injured for a prolonged period of time. Not everyone needs IP cover - some common exceptions are:

- >> You are not earning a salary.
- >> Your salary is low or you regularly work less than 15 hours a week.
- >> Your employer provides this benefit under a group insurance policy.
- >> You are working overseas.

Your IP cover in Christian Super will pay you up to 75% of your salary for up to 2 years, after an initial 30 days waiting period.

>> HOW MUCH IP COVER?

That's really for you to decide. You can insure up to 75% of your gross salary (including packaged salary items such as those for pastors).

Christian Super's IP cover works in numbers of units - each unit provides \$100 per week (= \$5,200 pa) of gross benefit. Our standard cover for new

members is 6 units, which is suitable for someone on \$41,600 pa gross salary who wants to insure 75% of that salary.

You can increase or decrease your current cover to suit your needs.

>> WHAT DOES IP COVER COST?

Premiums are quite reasonable and are deducted from your superannuation account. The amount depends on your age and number of units. Here are a few examples of weekly premiums for cover of 75% of salary:

Units	Gross Salary	Age 25	Age 40	Age 55
3	\$20,800	\$0.57	\$1.23	\$3.27
6	\$41,600	\$1.14	\$2.46	\$6.54
9	\$62,400	\$1.71	\$3.69	\$9.81
12	\$83,200	\$2.28	\$4.92	\$13.08
15	\$104,000	\$2.85	\$6.15	\$16.35

>> HOW TO ARRANGE IP COVER

You should refer to our Member Guide for full details of IP cover. If you want to take out new IP cover or change your current number of units, just contact our Helpdesk and we'll send you a form.

We will also send you a health statement to complete if you are starting or increasing cover. Your cover will commence from acceptance of your application by the insurer.

Fund updates

>> GOING FOR PUBLIC OFFER

Work is well underway towards the next exciting phase of growth - Christian Super will soon open to the wider Christian community.

We have lodged a Public Offer licence application with APRA and hope to be able to operate as a "retail" fund from about March 2006.

If you have family or friends who are keen to join Christian Super, please ask them to keep an eye on our website - or drop us an email at marketing@christiansuper.com.au.

>> NEW PENSIONS

On 1 July this year we introduced two new pension products. If you are approaching retirement you can use a Christian Super pension to give you a regular income - while still investing with ethical focus! Choose from our:

- >> Allocated Pension
- >> Term Allocated Pension
- >> Non-commutable Allocated Pension

Please contact our Helpdesk for our latest Pensions Guide brochure, and talk with Money Solutions about your personal situation.

Brief updates

>> VALUABLE CO-CONTRIBUTIONS

Under the Government's co-contribution scheme you may be able to receive \$1.50 for each \$1 you voluntarily contribute to your super. Go to www.ato.gov.au/super for useful information, or give our Helpdesk a call.

If you made a contribution in the 2004/5 tax year you just need to lodge your tax return - the Government's payment into your account with us will then occur automatically.

The scheme is again operating for the current tax year 2005/6, and you can make your after-tax contribution at any time.

>> ACCOUNTS & RESERVES

Minor changes were made to the draft financial information to 30 June 2005 published in our Member Guide (PDS dated 1/9/05), and the Fund's auditor issued an unqualified report.

A Management Reserve of 0.3% of assets was built up progressively during the 2004/5 year. The available amount at 30 June 2005 was distributed in October by adding an additional 0.25% interest to all member accounts.

>> CONTRIBUTIONS SPLITTING

The Government intends to allow individuals to split their superannuation contributions with their spouse. This would give some couples greater flexibility to structure their retirement savings tax effectively.

Legislation is still only in draft form. We hope to provide full details in our next newsletter, but the following draft parameters may help you to start planning ahead:

- Only contributions made from 1 January 2006 onwards are eligible for splitting.
- Splitting occurs annually in arrears for each financial year, so you can first apply for a split after 1 July 2006.
- It is not mandatory for Funds to offer splitting. Christian Super expects to offer the service but we first need to understand the administrative requirements. An additional fee may apply to those who use this service.

Keep your fees down - and have more to retire on!

(Education provided by Money Solutions)

One of the benefits of being a member of Christian Super is that they strive to keep their administration fees low. When you are looking to save and invest in a Fund, it's important to find out what it will cost you - not just right now, but really understanding what it will cost you over the long term. You need to make sure you keep your fees down - so you have more to retire on. You want every dollar working for you. The main ongoing fees to look at include:

- >> **Establishment fees** - what it costs to open an account with the Fund.
- >> **Contribution fees** - the fee charged every time money is put into your super account.
- >> **Ongoing asset-based fee** - some funds charge an ongoing percentage fee to manage your investments within the Fund. These fees may also include commissions paid to financial planners.
- >> **Ongoing set dollar membership fee** - a set fee charged to you, usually weekly or yearly, to be a member of the Fund.

Here is a simple example to compare fees and determine the long-term benefits to your super. Just look at how Michael worked out which Fund was best to achieve his retirement goals.

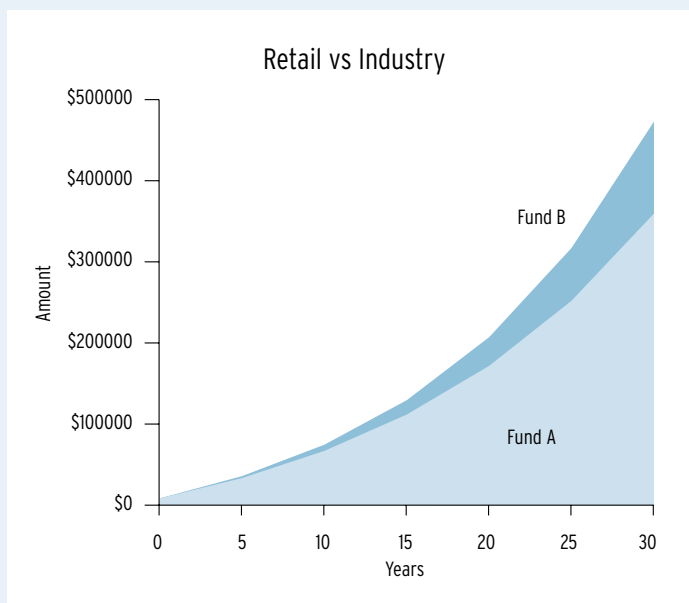
Michael earns \$50,000 per year. His employer pays \$4,500 each year into his super (9% of his salary). The return on the super invested in his Fund is 8% for the year. The current balance of Michael's super account is \$10,000.

This table shows the combined effect of contribution fees plus asset-based fees and fixed fees (assumed rates are shown in brackets):

	Fund A*	Fund B
Starting balance in Fund account	\$10,000	\$10,000
Contribution into Fund account	\$4,500	\$4,500
Less contribution tax	\$675 (15%)	\$675 (15%)
Less contribution fee	\$202 (4.5%)	No charge
Contribution after tax and fee deducted	\$3,623	\$3,825
Interest earned (8% p.a.)	\$1,144	\$1,160
Less ongoing asset-based fee	\$290 (2%)*	\$116 (0.8%)
Less ongoing set dollar membership fee	No charge	\$80
Value at the end of 12 months	\$14,476	\$14,789

* This fee may include commissions paid to a financial planner.

Over the long-term, fee levels can really make a difference to how much you can build your super. If Michael selects the Fund with the lowest fees then, after 30 years, he will have around \$114,000 more in his super.



What fees would you pay over 30 years? It's worth comparing your own Fund's charges to those charged by others out there so you make the most of the money you invest in your super.

You're in good hands - Christian Super does not pay commissions to financial planners like Money Solutions - so you can be assured that the financial advice you receive is personal and relevant to you!



The fee structures used are generic and have been based on typical charges of both retail and industry superannuation funds. They may not apply to your superannuation fund and have only been used as an example. The information contained in this article is general information only and has been prepared without taking into account your goals, financial situation or needs. As such, the information should not be considered as financial advice and is no substitute for personal financial advice. Before acting on any of the information, please contact a personal money coach or financial planner to obtain personal advice as to the appropriateness to you of the ideas or strategies presented. This case study was provided by Money Solutions Pty Limited AFSL 258 145.

>> KEEPING IN TOUCH

- Call the **Helpdesk** on **1300 360 907** (local call cost)
- Log on **www.christiansuper.com.au**
- Write to **Christian Super**
Locked Bag 5073, Parramatta, NSW 2124
- Fax** 1300 367 828
- Email** helpdesk@christiansuper.com.au

>> DISCLAIMER

The information in this newsletter is of a general nature and is provided in good faith - the Fund does not guarantee its accuracy. Readers should seek advice specific to their situation.

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>> you can be
assured that the
financial advice
you receive is **personal**
and **relevant to you!**