

October 14, 2009

## Market update for HIP Members



### **Only bad news makes the front page Here's the good news- HIP returns over 15% in last 6 months**

Across the world both electronic and print media have been dominated for the last two years by the credit crisis, various corporate and financial institution collapses. This has been labelled the Global Financial Crisis (GFC). No one has been untouched with the most obvious impact being the retraction in growth of member's retirement nest eggs. We have constantly heard stories of people putting off their retirement plans or, indeed, retirees being forced back to work.

Like all good things, generally, all bad things also come to end. In recent times, we have seen an abatement in the constant flow of bad economic and corporate news. Analysts are now far more optimistic than they were in the height or depth of the GFC. While we may not be out of the woods just yet and there is still the chance of more volatile times ahead, global share markets have factored in this more optimistic view. Before the end of the year we may have labelled the period since early March the Global Financial Recovery (GFR).

**We can report to our members that HIP has experienced one of the most productive periods in the history of the Fund- with the Growth option returning around 10% since July 2009 and over 15% in the last six months.**

This is offsetting the last two years' negative returns and is partly due to the positioning of the default fund for members as a growth oriented fund- that is, one that seeks to earn strong returns over the longer term (five years or more) rather than looking to shorter term gains. What this means in effect is that short term (one or two year) volatility is to be expected with growth oriented investments.

For those members with a more conservative risk profile or shorter investment horizon we offer investment choice. Members can invest in the Cash or Capital Stable options rather the Growth (default) option, and there is also the opportunity to mix and match a combination of each choice to construct a portfolio which best suits your own individual circumstances.

To get a better understanding of the risks and objectives of each investment option and the growth/defensive ratio achieved in working your own combination of investment options refer to [www.hipsuper.com.au](http://www.hipsuper.com.au) .

Superannuation remains a very tax effective vehicle to facilitate your retirement nest egg and HIP is certainly well placed to assist you in achieving your aspirations for retirement.

We also continue to look after you during your working life with automatic income protection offered to members as well as death and total and permanent disability insurance amongst our many additional benefits of HIP membership.

A handwritten signature in black ink, appearing to read 'Ross Bernays', with a stylized flourish at the end.

Ross Bernays  
Chief Executive Officer

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