

# Investing through the tough times

Media Super investment update for February 2020

We are seeing continued volatility in financial markets as a result of the evolving coronavirus [COVID-19] global health emergency. Many people are concerned about the impact on their super and pension savings. We understand your concerns and our teams across the fund are working to support our members through these uncertain times.

We won't sugar coat the situation – there have been very significant falls in share markets around the world in February and March. Members will see short-term reductions in their account balances but ***it's important to remember that superannuation is a long-term investment.***

We are actively monitoring the situation. As financial markets change, we may adjust the asset mix in our options accordingly, but our focus will remain on trying to exceed the long-term investment objectives of each option.

## Your February investment returns

The Balanced [MySuper] option recorded -2.78%<sup>1</sup> for February 2020, with a return of 3.48%<sup>1</sup> for the financial year to 29 February 2020.

The pension Balanced option recorded -3.06%<sup>1</sup> for February, with a return of 3.71%<sup>1</sup> for the financial year [to 29 February 2020].

While Media Super is not immune to losses, our Balanced option is in a relatively better position than many other super funds, with short-term losses for the month of February lower than the median and returns for the financial year [to 29 February] above the median.<sup>2</sup>

If you're invested in one of our higher growth options – such as, Growth, High Growth, Australian Shares or Overseas Shares – you will see larger short-term reductions in your account balance than for those invested in the Balanced option. These options carry higher investment risk and are generally more volatile than our other pre-mixed options, which is why they have also delivered relatively higher returns over the past 10 years.

Performance information for our full range of super, transition to retirement, and pension investment options is available at [mediasuper.com.au](https://mediasuper.com.au).

## Considering an investment switch? Make an informed decision

We understand that losses can be concerning, especially if you're retired or nearing retirement.

We have observed that some members switch into defensive options during times of uncertainty because they're nervous about losses. Unfortunately, this is often the wrong time to switch, as it crystallises and locks in losses, and can lead to lower account balances in the long term. This is because members often don't switch back into less defensive options when uncertainty subsides,

and miss out on gains when financial markets rebound.

If you're considering switching investment options, take the time to fully understand all options available to you and the potential impact of switching now.

You can find information about our full range of investment options in the Investment Guide and Pension Guide, available at [mediasuper.com.au/pds](https://mediasuper.com.au/pds).

It's a good idea to speak to our team before making a switch, so you can talk through your concerns and fully understand the options available and associated risk.

## Investing for the long term, through the ups and downs

Media Super's Balanced options [MySuper and pension] are well diversified across a number of asset classes, including global shares, property, infrastructure, fixed interest, foreign currency and cash, as well as various alternative investments, such as our Fulcrum film and television financing fund.

Our Balanced option also has a degree of 'portfolio protection' in place, a mechanism designed to reduce the impact of falling share markets. We are one of the few superannuation funds that has this type of protection in place. It does not fully offset market falls, but can reduce some of their impact.

We will likely see negative returns for the Balanced option when we report March figures, as this is when the most significant falls (to date) occurred. We are also expecting negative returns for the financial year (to 30 June), as share markets move through this market cycle over coming months.

We will continue to prudently manage your super and pension savings and work to exceed our investment options' long-term investment objectives.

As financial markets move in cycles, we will work with our investment managers and advisors to identify opportunities that will inevitably arise. At the time of writing, we are confident that the Balanced option is appropriately positioned to meet its long-term investment objective.

## We're here to help

We will continue to provide regular updates as the situation evolves and changes – please check the blog for the latest news on your super and pension savings, at [mediasuper.com.au/blog](https://mediasuper.com.au/blog).

If you have any questions or concerns about your investment options, or you're considering making an investment switch, please call the Helpline on 1800 640 886.

**Super Helpline**  
**1800 640 886**  
**[mediasuper.com.au](https://mediasuper.com.au)**



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1 Investment returns are not guaranteed and past performance gives no indication of future returns.

2 SuperRatings Fund Crediting Rate Survey – SR50 Balanced options [60-76] Index & SRP50 Balanced options [60-76], February 2020

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