

What is happening in the investment markets?

October 2008



The short answer is, a lot!

But the more important point is, don't panic.

Investment markets by nature are volatile – that is returns vary from year to year – but they operate in cycles.

So years such as this past year, where returns have been low or negative, are often offset by positive returns in past and future years.

Superannuation is a long-term investment, and you should consider the recent market volatility in the context of the strong investment returns seen in previous years.

As a member of a superannuation fund, you have money invested in the investment markets.

Depending on the investment choice you have made (or were placed in by default when joining your fund), your money will be invested in what are known as asset classes, which include shares, property, fixed interest and cash.

Each has unique characteristics and associated risks, which mean they perform differently in certain market conditions.

You can choose the asset class – or combination of asset classes – that match your investment needs and tolerance to risk.

Over the last year shares and property have performed poorly.

It's important to remember that investment markets operate in cycles.

Some years the returns are relatively high – as has been the case for several years leading up to 2007 – other years, the returns have been low or even negative, as has been the case in the past year.

When viewed over the short-term, returns can appear volatile and erratic, but when viewed over longer time periods, returns are more stable, as positive returns offset negative returns.

Accordingly, it is helpful to take a long-term view when considering your investments.

It's important to remember that superannuation is a long-term investment.

If you would like further information, visit the *Member* section of the Plum website:

www.plum.com.au or email us

at **service@plum.com.au**, or

Speak with a Plum Member Services Consultant on **1300 55 7586** from 8.00am to 6.00pm, any business day, Australian Eastern Standard Time (AEST).

Disclaimer

An interest in the Plum Superannuation Fund ABN 20 339 905 340 (Fund) is issued by PFS Nominees Pty Ltd ABN 16 082 026 480 AFSL 243357 (Trustee). The Fund administrator is Plum Financial Services Limited ABN 35 081 812 731 AFSL 243356 (Administrator). This material has been prepared by the Administrator and it contains information that is general in nature. The information does not take into account your objectives, financial situation or needs. Before acting on the information you should consider whether it is appropriate having regard to your personal circumstances and seek professional advice. The Administrator recommends that you consider the Fund's *Product Disclosure Statement (PDS)* before you make any decisions about your superannuation. To obtain a copy of the Fund's *PDS* please contact a Member Services Consultant on **1300 55 7586**. Neither the Administrator, the Trustee, nor any other company in the National Australia Group of companies accepts liability whatsoever for any decision that is made on the basis of or in reliance of the information contained in this material. Please note that the information contained in this material is current as at November 2008. Any changes in law or policy have not been incorporated.