

Super News

December 2020

This edition of *Super News* updates you on the latest news about super and your Plan. In this issue, we let you know about:

- The appointment of a Trustee Company to run the Plan;
- The Plan's first Annual Members' Meeting;
- Recent investment performance;
- Changes to the Plan's diversifying assets;
- Proposals from the Budget; and
- Remind you about the early access scheme which now closes on 31 December 2020.

New Trustee Company appointed

From 29 January 2021, the Deseret Benefit Plan for Australia will be managed by an external Trustee Company, Towers Watson Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049) (TWS). Appointing an external Trustee Company provides members the benefit of a greater depth of professional trustee experience and governance to navigate compliance with the increasing regulatory requirements faced by the Plan.

TWS has been licensed to act as a Trustee by the Australian Prudential Regulation Authority (APRA), the prudential regulator of super funds in Australia. Towers Watson Superannuation Pty Ltd is a subsidiary of Towers Watson Australia Pty Ltd (ABN 45 002 415 349, AFSL 229921), who also acts as Administrator (via an outsourced arrangement), Plan consultant and actuary, as well as Plan secretary.

As Trustee of the Plan, TWS will have the same responsibility for looking after the best interests of the Plan's members and will work with LDS Australia as the sponsoring employer to manage and review the Plan's arrangements to ensure that members' financial interests continue to be promoted.

How to contact the Trustee

Deseret Benefit Plan for Australia
C/- Towers Watson Superannuation Pty Ltd
Level 16, 123 Pitt St
Sydney NSW 2000
Phone: (02) 9285 3140

New Policy Committee

The current Trustees will continue to be involved in the Plan, serving as initial members of the Plan's Policy Committee and will serve until February 2024 when their term of office as Trustees would have expired. The role of the Policy Committee is to ensure that the interests of members and LDS Australia are represented in the management of the Plan. The Committee will comprise four members with half appointed by LDS Australia and half elected periodically by members.

The Policy Committee representatives will be:

LDS Australia representatives	Member representatives
Rick Chadderton	Melinda Kelly
Paul Gray	Wayne Maurer

Annual members' meeting

All members are invited to the Plan's first Annual Members' Meeting on 25 February 2021. At the meeting you will be provided with an overview of the Plan and the Plan's investment performance. You will also have an opportunity to ask questions about the Plan.

The meeting will be held online using a virtual meeting tool, Webex. Instructions will be sent out via email early next year to all members for whom we hold an email address.

To receive your email invitation, ensure your current email address is recorded in your Plan member records by Friday 29 January 2021. To supply or check your email, either log into the Member Centre on the Plan's website at <https://super.towerswatson.com/super/deseret> or call the **Plan Helpline on 1800 115 885**.

See the separate notice included with this newsletter for more information about the meeting.



Investment update

COVID-19 cases showed no signs of slowing down over the September 2020 quarter, with many countries seeing secondary outbreaks after restrictions were eased earlier in the year. US-China relations deteriorated further and trade tensions between Australia and China also intensified. Data released for the June 2020 quarter confirmed that many countries, including the US and Australia, are in an economic recession. Governments and Central banks around the world continue to implement policies to try to stimulate their economies, with interest rates expected to stay low for an extended period.

Over the September 2020 quarter, global share markets were positive overall, with international shares rising 6.4%* over the quarter (MSCI World Index-ex Australia). The US share market returned 8.9%* (S&P 500 Composite Index) over the same period, recovering to pre-COVID levels. US manufacturing activity also recovered and the housing market shows positive signs, as record-low mortgage rates continue to boost demand for new homes.

Chinese shares were up 7.8%* over the September 2020 quarter (Shanghai Composite Index), also back to pre-pandemic levels. Over the same period, Japanese shares rose 4.7%* (MSCI Japan Index), while European shares fell 0.8%* (Euro Stoxx 50 Index).

The Australian economy entered its first recession in 30 years in the June 2020 quarter. Whilst the Victorian coronavirus outbreak resulted in an extended lockdown, economic activity resumed throughout the rest of Australia. Australian shares were flat over the September quarter after an impressive recovery in the previous quarter.

Inflation was negative over the June quarter and year-on-year, driven largely by the declining prices of childcare, fuel and rent. The unemployment rate reached a 22-year high of 7.45% in July and the Reserve Bank of Australia expects it to peak at nearly 10% in the December quarter. The tightening of the JobKeeper program is expected to slow down recovery in the labour market.

The Australian dollar appreciated slightly against the US dollar, from 68.63 US cents at the start of July to 71.08 US cents at the end of September. The Australian dollar also appreciated against other major currencies. This had the effect of dampening returns from any international share investments which are subject to currency movements, including those that the Plan invests in.

* Returns from international shares are expressed in local currency terms (i.e. hedged to Australian dollars).

You can learn about the latest performance of your super by logging into your account online at <https://super.towerswatson.com/super/deseret> or by contacting the **Plan Helpline on 1800 115 885**.

The Plan's members generally receive defined benefits on retirement after age 55. As these benefits depend mainly on your final average salary and number of years in the Plan, investment performance is not applicable. The Plan's investment performance is relevant for members who leave before age 55 and for those with accumulation accounts (such as additional voluntary contributions, and rollovers).

You should remember that for most members, super is a long-term investment. For instance, returns earned over a period of 10 years, instead of one or two years, are likely to better indicate your super's performance. Volatility is one of the characteristics of investing in shares. While current events are extraordinary, share markets have experienced similar shocks in the past and recovered, rewarding patient, long-term investors. If you have any questions about the appropriateness of how your super is invested, we encourage you to discuss your situation with a financial adviser.

Past performance is not necessarily a reliable indicator of future performance.

Investment option	3 months to 30 September 2020	Year to 30 September 2020	Five-year compound average net return to 30 September 2020 (per year)	10-year compound average net return to 30 September 2020 (per year)
High Growth	1.4%	-4.3%	6.0%	7.1%
Market Linked ¹	1.2%	-2.9%	5.5%	6.2%
Enhanced Yield ²	0.8%	2.2%	3.1%	3.6%
Cash	0.0%	0.5%	1.4%	2.2%

¹ The Plan's 'declared' earning rate is that of the Market Linked option.

² Prior to 2012, Enhanced Yield was called the Conservative Growth option.

Returns are after tax and investment fees have been deducted.

Changes to diversifying assets

In November 2020, the Trustees made some revisions to the investment products used to manage the Plan's diversifying asset exposures within the High Growth and Market Linked investment options.

Following a review of the investment products used within the diversifying asset section of the investment options, the Trustees replaced the previous investment in the Franklin Templeton Investments Australia Limited Multisector Bond Fund (Class I) with an increased allocation to the Schroder Real Return CPI Plus 5% Fund in late November 2020.

Early access to super deadline extended

This is a reminder that there is an extension in the timeframe for members to access some of their super if financially impacted by COVID-19. The scheme, which started in April 2020, allowed affected eligible members to apply for two payments of up to \$10,000 each. Access to the first payment closed on 30 June 2020. The deadline to apply for the second payment is 31 December 2020.

How do I apply?

If you are eligible you can apply directly to the ATO through the myGov website at www.my.gov.au.

Further guidance is available on the ATO website at www.ato.gov.au. You may experience difficulties reaching the ATO by telephone.

Before taking any significant action regarding your super you should seek advice from a licensed financial adviser.

Budget update

In the October 2020 Budget, the Federal Government outlined a major new package of superannuation measures called "Your future, your super". The proposals are intended to reduce the number of unnecessary multiple superannuation accounts people hold and introduce new measures to address underperforming superannuation products. Most of the measures will not apply to members with defined benefits. None of these proposals are law yet, and as with any proposed legislation, they may change by the time they become law. The changes proposed include:

Steps to reduce multiple accounts

The ATO will develop an online "YourSuper comparison tool" to provide employees with a performance-based ranking of funds and prompt employees to consider consolidating their accounts.

For new employees from 1 July 2021, an employer will be required to pay super to the employee's existing superannuation account unless they choose another fund. This is to avoid creating unnecessary new super accounts every time someone changes jobs.

Ways to improve performance

MySuper products will need to satisfy an annual performance test starting from 1 July 2021, with most other products to follow from 2022. Products that are considered underperforming based on their fees and past returns will need to inform members each year and any product that fails the test two years running will not be permitted to accept new members. APRA will conduct the tests and publish the results.

Increased accountability

Extra requirements will be imposed on superannuation trustees to act in the best financial interests of members. From 1 July 2021 Trustees will also need to provide additional disclosure material to members in advance of annual member meetings. This does not affect the Plan's first Annual Member Meeting notified on page 1.

More information

To learn more about your benefits in the Plan, refer to the *About your super plan* booklet. Copies can be downloaded from the Plan website or can be obtained by calling the Plan Helpline on **1800 115 885**.

You can also contact:

The Plan Administrator
Deseret Benefit Plan for Australia
PO Box 1442
Parramatta NSW 2124

Plan Helpline: **1800 115 885**
If calling from overseas: +61 2 8571 5000
Email: deseret.australia@towerswatson.com
Website: <https://super.towerswatson.com/super/deseret>

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Issued in December 2020 by the Trustees (ABN 67 352 679 623) of the Deseret Benefit Plan for Australia (ABN 58 632 310 300).



15 December 2020

Notice of Annual Members' Meeting

The Trustees of the Deseret Benefit Plan for Australia invite you to the first online Annual Members' Meeting. At the meeting, you will be provided with an overview of the Plan and the Plan's investment performance over 2019/20. You will also have an opportunity to ask questions.

Details of the Annual Members' Meeting

Date: Thursday, 25 February 2021

Time: 3:30pm: NSW, VIC and TAS
(approximately 1 hour) 3:00pm: SA
2:30pm: QLD
12:30pm: WA

Location: Webex – see important note below regarding registration process

Agenda:

- Welcome
- Introductions
- Overview of Plan and highlights over the year
- Overview of investment performance
- Q&A
- Close

How does a Webex meeting work?

A Webex is an online conference, requiring you to register in advance and then on the day click a link and access a live meeting using the internet. You can hear and see the speakers on your computer. You can speak or type questions during the meeting when invited by the meeting organiser.

IMPORTANT NOTE:

In late January, we will email all members for whom we have an email address inviting you to register online for the Annual Members' Meeting. Once registered, you will receive instructions on how to join the meeting.

To receive your invitation, please ensure we have your current email address by no later than Friday 29 January 2021.

To check and/or update your email address with the Plan, either log into the Member Centre on the Plan's website at <https://super.towerswatson.com/super/deseret> or call the **Plan Helpline on 1800 115 885**.

Questions

If you have a question for our speakers, please email your question to Nick Wilkinson, Plan Secretariat, at nicholas.wilkinson@willistowerswatson.com noting that your question is for the Annual Members' Meeting and we will do our best to answer the question during the event. Should the time not permit, we will get back to you after the event. Contact Nick Wilkinson on +61 2 9253 3140 with any general questions about the event.