

Market volatility and your Super

Market volatility is a normal part of investing for the long-term, and it is important to remember this when it comes to your superannuation as the world navigates the implications of coronavirus (COVID-19).

Your super portfolio has been designed with market volatility a key consideration, and we attempt to manage times such as we are currently facing with diversified investment options. A well-diversified portfolio means having your super invested in a range of different types of investments, which is designed to help smooth the ups and downs that may be experienced by any one type of investment, and allow your super to keep performing over the long-term.

While it may be tempting to change your strategy to one with a lower risk profile when markets are falling, in the long-term it can make more sense to stay invested where you are. By changing to a lower risk option during a market decline, you risk selling at a time when prices are low, and missing the potential advantage of falls when markets eventually recover. It is important to keep perspective and remember that the current market falls follow a sustained period of positive returns, and the longer-term performance of your super investment options must be kept front of mind.

Governments, central banks and health organisations across the world are working to limit the impact of COVID-19 and protect and stimulate markets and economies. Philip Lowe, Governor of the RBA, has stated that once containment of COVID-19 is achieved, the Australian economy is expected to return to “an improving trend.” So while we are seeing a great deal of volatility and overall negative returns in the past month, history has shown that every economic crisis and every recession comes to an end (as seen in the chart below displaying the ASX All Ordinaries Index since 1900). We can’t predict when the coronavirus outbreak will end, but we know that like outbreaks in the past, it is highly likely that this crisis will too.



Source: ASX, AMP Capital

While we recommend you keep the above in mind when deciding on the positioning of your superannuation portfolio, please note that, in the instance you decide to amend your Good Super portfolio weighting, that the allocation to the cash and fixed income investment options may be anything from 0%-100%. You may wish to consult with a financial adviser as to whether switching is right for you. Please refer to page 9 of the [Reference Guide](#) for more detailed information.

Good Super (registration Number R1067897) is a sub-fund of the max Super Fund issued by Tidswell Financial Services Ltd (ABN 55 010 810 607, AFSL 237268, RSE L0000888) the Trustee of the max Super Fund (ABN 22 508 720 840). Please note that the information in this notice is general only, and does not take into account your objectives, financial situation or needs and you should consider whether it is appropriate for you. You also may wish to consult with a financial adviser. Before making any decision in relation to Good Super you should read the [PDS](#), [Reference Guide](#) and [Insurance Guide](#) as appropriate.