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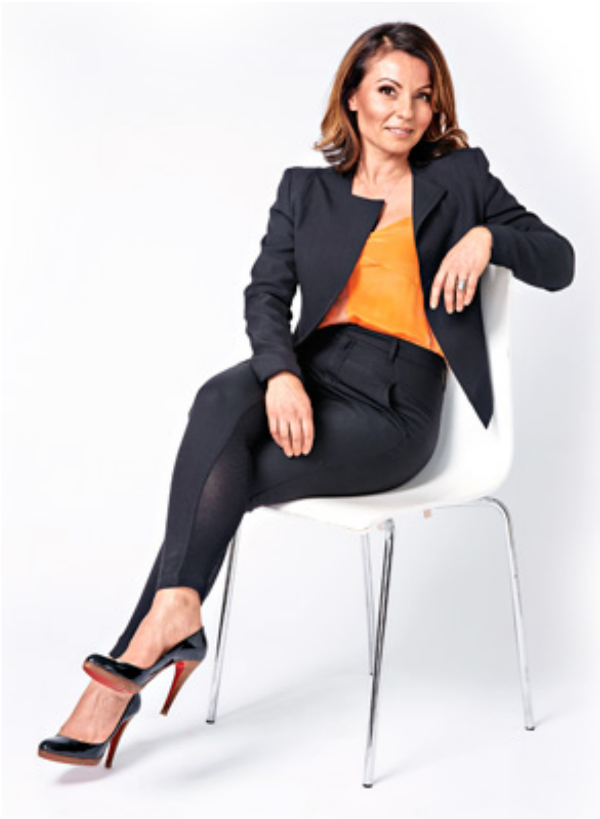
From the editor



It wasn't that long ago when a headline with the word superannuation would lull any discerning reader into a sweet slumber. The younger the reader the faster they would fall into a snooze. But that's not the case today. Super is making headlines and people, young and old, are taking a very big interest in it. As Pam Walkley reports in an upcoming article in *Money* magazine it pays to know the rules because, with the changes announced in the Federal Budget, you may actually be better off not adding to it.

For instance, if your likely super balance is going to be more than the $375,000 tax-free threshold for couples, ($250,000 singles) but below $823,000 ($547,000 singles) where you lose any access to a part pension, consider whether you may be better off spending surplus income to upgrade your home before retirement – especially if the alternative of adding that money to your savings could push you over the threshold.

Our social services minister Scott Morrison justified the government's decision to limit eligibility for access to the pension by saying to the Australian Financial Review that "the purpose of providing tax incentives to encourage people to build up their super is so they can draw down on it in retirement, not maintain it as a capital pool to be passed on as an inheritance".

While this may be an option for wealthy retirees the fact is most of us right now would be lucky to outlive our super balances. Retiring men have an average of around $200,000 and women have $112,000. This week *Money* asks superannuation expert Andrew Yee from HLB Mann Judd Sydney for some ideas on how to make the most of your super.

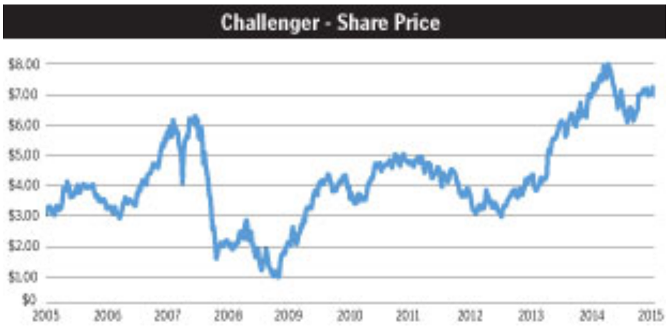
Effie Zahos

Scott Morrison says spend your super

The age pension was always a government benefit that was going to be put under pressure, and this year's federal budget proposes just that.To understand the proposed changes, we need to remind ourselves that to qualify for the age pension you are tested on both income and assets.

[Read more]

Roger Montgomery's 'Hot stock' - Challenger



With interest rates now having been low long enough to fuel asset price surges in property and shares, it's easy to conclude that all the easy money has been made and that the market is expensive overall.

But deeper digging often reveals a gem that others have left behind. There's still a business with very bright medium- and long-term prospects that we believe is trading at a significant discount to its intrinsic value.

That business is Challenger Group, whose revenue is driven by the sale of secure annuity income securities to the demographic tidal wave that is the retiring baby boomers. We believe it could be worth $2 more than its current $7 price.

Roger Montgomery is chief investment officer of [The Montgomery Fund]

Where to invest | Chris Cuffe's tip

Third Link Growth Fund

Objective

The objective of Third Link Growth Fund is to provide an investment in Australian listed shares. The fund aims to outperform the S&P/ASX 300 Accumulation Index after fees over rolling five-year periods. It extensively invests in other managed investment funds run by professional third-party investment managers. They include Bennelong Australian Equity Partners, Cooper Investors, Goldman Sachs Asset Management, Greencape Capital, JB Were Wealth Management, Montgomery Investment Management, Paradice Investment Management, Aberdeen Asset Management, Harness Asset Management, Ophir Asset Management, Pengana Capital and Colonial First State.

What makes it unique

The creation of Third Link Growth Fund is a pioneering way of contributing to charity without costing you a cent. Not only does it provide you with the opportunity to participate in a professionally managed fund investing in Australian shares, but all fees received by Third Link Investment Managers Pty Ltd from managing the fund's investments, net of expenses, go towards supporting a group of charities that help Australian children and young people to thrive. The fund is managed by industry veteran Chris Cuffe.

Key fund data

• Management fee: 1.40%
• Zenith Investment Partners rating: Approved
• Minimum initial investment: $20,000
• Fund size: $80 million at April 30, 2015

Performance

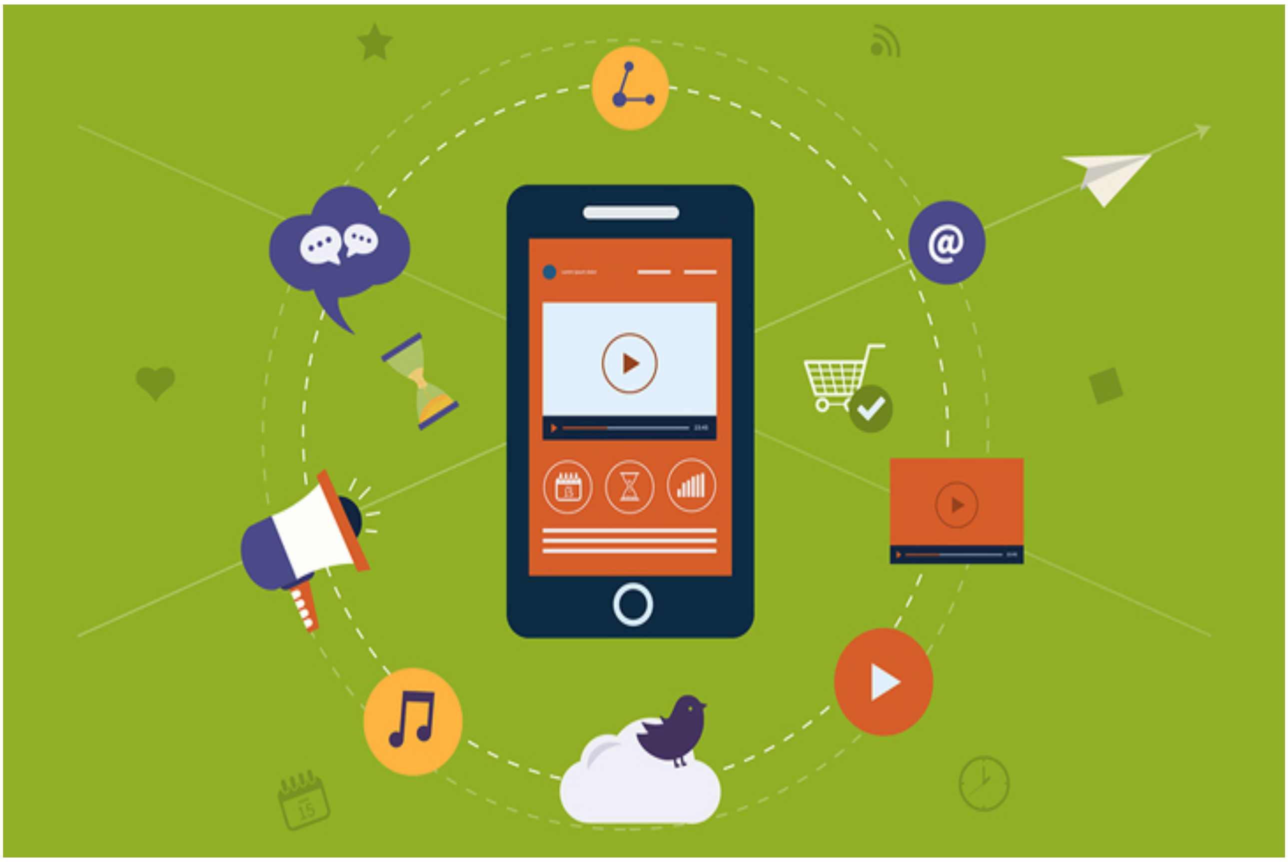
As at the end of April 2015, the fund performance (after fees and assuming income distributions were reinvested; figures greater than one year are expressed as annual compound returns) relative to its benchmark was as follows:

	THREE MONTHS	SIX MONTHS	ONE YEAR	TWO YEARS	THREE YEARS	FIVE YEARS	SINCE INCEPTION (JUNE 2008)[1]
Third Link Growth Fund	+6.4%	+9.7%	+14.1%	+14.5% pa	+17.1% pa	+11.6% pa	+9.8% pa
Fund performance relative to its benchmark[2]	+1.3%	+2.5%	+3.9%	+4.4% pa	+2.9% pa	+1.9% pa	+3.7% pa

1. The fund was established on 12 March 2008. The performance figures shown in this column are expressed as annual compound returns.
2. The benchmark up until the end of January 2012 was the Morningstar Multi-Sector Growth Market Index and from February 2012 onwards the benchmark was the S&P/ASX 300 Accumulation Index. These calculations are based on the performance of the old benchmark to January 2012 and the performance of the new benchmark from February 2012.

Chris Cuffe is Director of Cuffelinks. The Third Link Growth Fund is managed by Chris Cuffe.

Inside *Money*



How to get discounted or free apps

It might not seem much but every 99¢ you pay for an app can add up. If you're willing to wait a bit then you might be able to get an app for a lower price, if not for free. And you won't have to jail break your phone or do it illegally.

Read more

Cracks in China already appearing

All eyes are on the Chinese economy, because any further weakness will impact heavily on Australia. Cracks are already appearing, with tumbling steel consumption and declining house and commodity prices.

"Even gambling in Macau has slowed down," Sean Fenton, portfolio manager of Tribeca Investment Partners, said at a Grant Samuel Funds Management seminar for financial planners.

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How healthy is your credit report?

Have you seen a copy of your credit report lately? Even if you are on time with your repayments, it could be worth taking a look so that there aren't any nasty surprises.

Damian Paull, CEO of the Australian Retail Credit Association (ARCA), recommends you check your credit report at least once each year. You can ensure you are aware of what is on it, including any errors, which you can ask to be fixed.

Plus it's a great way to make sure you haven't been a victim of identity fraud. You're entitled to get a free copy of your credit report annually, from each of the credit reporting bodies, including Dun & Bradstreet, Experian and Veda. Check creditsmart.org.au for details on how to get a copy of your free report.

Maria Bekiaris is Money magazine's deputy editor.