

# annual report 2014

A low-angle photograph of a large, mature tree with a thick trunk and dense green foliage. Sunlight filters through the leaves, creating a bright, hazy effect in the upper left corner.

Our environment is constantly changing,  
and so are we.

We're moving online wherever we can to make things easy for you,  
and also to help reduce our impact on the environment.

This document is intended to be viewed online at [caresuper.com.au/annualreport14](http://caresuper.com.au/annualreport14).





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# A word from our Chair and CEO

“we have been named  
'industry fund  
of the year'”



Welcome to the CareSuper Annual Report for the 2013/14 financial year. You can view this message via video in the online Annual Report at [caresuper.com.au/annualreport14](http://caresuper.com.au/annualreport14).

The last 12 months have been successful for CareSuper, leading to positive investment returns for members.

Strong share market performance saw the Super Balanced option return 12.84% and the Pension Balanced option 14.03% for the year to 30 June 2014. Even more impressive is the strength of CareSuper's long-term returns – the Super Balanced option has returned an average of 8.43% per annum over 20 years and the Pension Balanced option an average of 11.50% over the last 5 years. These results have surpassed the objectives of both options.

Performance across other investment options has also been strong. You can view all of the returns, as well as further information about our underpinning investment philosophy, in the Investment section of this Annual Report.

It has been pleasing to see that CareSuper's outstanding performance has been recognised by independent experts. The Fund is proud to have been named 'Industry Fund of the Year' at the AFR *Smart Investor* Blue Ribbon awards for the second consecutive year. CareSuper is also one of only eight funds to hold a 10-year platinum rating from the independent super research company SuperRatings.

Other highlights throughout the year include the Fund reaching \$9 billion in funds under management. Our size continues to provide us with greater benefits of scale, while still allowing us to be nimble with our investment decisions when necessary.

We remain committed to making the super experience easy for our members. During the last financial year this involved adding online calculators to our website to help members see what their super account balance could deliver as a future income in retirement. We also upgraded the MemberOnline and PensionOnline portals, so it's now easier to navigate inside your account. Furthermore, super members can now consolidate their super completely online. CareSuper's main website was enhanced as well and is now optimised for viewing on all mobile devices.

The Fund also launched a website for women, because we understand the challenges they face when it comes to retirement. This site is intended to help them realise their options when it comes to money and super.

We have also been able to provide members who want greater control over their investments with more choice – adding new term deposit providers and listed investment companies to the Direct Investment option. Members can also now participate in corporate actions online.

Past performance is not a guarantee of future performance.



During the last year we undertook research to find out how our members feel about sustainability. This process reinforced our understanding that responsible investing is important to our members and, while we consider environmental, social and governance factors across all of our investment options, we intend to strengthen the Sustainable Balanced option in response to this feedback.

Over the past 12 months the super industry as a whole has seen quite a few changes to, and announcements about, super – some of them significant. The super guarantee was increased to 9.5% and, while this is a step in the right direction, research shows this isn't enough to fund the average Australian through their retirement. We encourage members to make extra contributions wherever possible, and to consider making use of their access to financial planning through CareSuper. Throughout the year the industry also faced the possible repeal of the Low Income Super Contribution (LISC). This Government contribution rebates the tax paid by low income earners on their compulsory super guarantee contributions. A campaign has been in progress to save the LISC, which we fully support, as we believe that ending this contribution would be inequitable and disadvantage many of our members.

Since the end of the financial year we have launched an SMSF wind up service. This initiative came about after some members asked if we could transition their SMSFs into CareSuper. This wind up service is designed to assist those who have found that an SMSF no longer suits their circumstances and needs.

Looking ahead, we have started work on a number of projects to continue to provide members with the best possible products and services. We have commenced a project to look at how our Pension product can best serve the current and future needs of members, not only as they move from accumulation into retirement, but throughout their years in retirement too.

We thank you for reading CareSuper's Annual Report for the 2013/14 financial year and welcome your questions and feedback. Please see our contact details on the back cover if you would like to get in touch.

**Catherine Wood**  
Chair

**Julie Lander**  
CEO

# About CareSuper

At CareSuper, our mission and purpose inform everything we do, and we act in line with our values at all times.



## Our mission

To achieve our vision as a leading Australian industry super fund, CareSuper's mission is to maximise financial outcomes for its members during and after their working lives and to meet the needs of employers by:

- Adopting sound investment principles to manage members' funds
- Offering choices of investment strategy to suit members' differing objectives and risk profiles
- Offering meaningful default insurance cover as well as the ability to select additional cover at competitive rates to meet members' needs at various stages of their lives
- Keeping operating costs low, thereby maintaining low administration charges to members and providing value for money in a transparent manner
- Offering relevant pension products to provide an income in retirement
- Maintaining a not-for-profit ethos and returning profits to members
- Providing additional products and services for members through strategic partnerships, enhancing the value of CareSuper membership
- Committing to providing excellence in customer service and ease of transacting for participating employers and members by communicating fully and clearly and continuing to consider and introduce innovative investment, insurance and other benefit options and education and communication programs.



# Our vision

to empower our members to achieve  
long-term financial security



## Our values

**SPIRIT** is the backbone of CareSuper. It is what CareSuper stands for. It defines what we do and how we behave. The staff jointly devised and defined the values as follows: service, professionalism, integrity, relationships, innovation and teamwork.

At CareSuper, we are committed to delivering superior service and developing long-term relationships with our members and employers. We draw on our experience, integrity, teamwork and innovative approach to business when working with stakeholders to achieve common goals.

## Our purpose

The purpose of superannuation is to deliver a better standard of living in retirement by providing a reliable and sustainable income stream. This income stream is the result of contributions and investment returns accumulated during a person's working life.

We focus on achieving strong net benefit results, complemented by relevant products and services, so members can enjoy a more comfortable lifestyle in retirement.

### A top-rated Fund



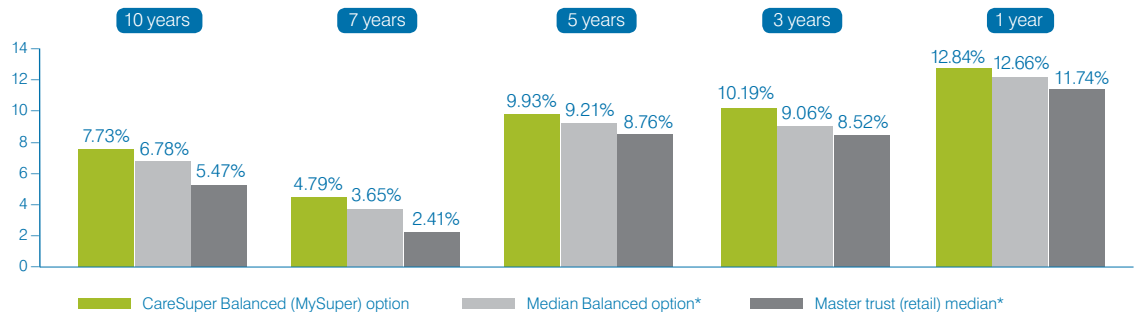
For more information on all of our awards, go to [caresuper.com.au/awards](http://caresuper.com.au/awards).

# Year at a glance

## Superior returns

### Super Balanced option returns

Compare CareSuper's Balanced (MySuper) option returns to 30 June 2014 with those of the median Balanced super fund and master trust (retail) median and you'll see that we've been consistently ahead of other super funds:

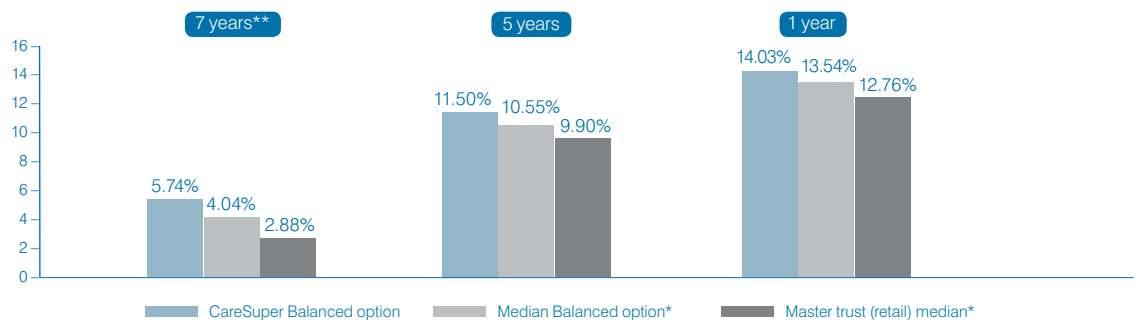


Please note: CareSuper's 10, 7, 5 and 3-year returns are compound average annual returns. CareSuper returns are net of fees and taxes. Past performance is not a guarantee of future performance. Returns have been rounded to two decimal places.

\* Source: SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, June 2014. This survey includes Balanced options for industry funds and master trusts.

### Pension Balanced option returns

Compare CareSuper's Balanced option returns to 30 June 2014 with those of the median Balanced fund and master trust (retail) median and you'll see that we've been consistently ahead of other funds:



Please note: CareSuper's 7 and 5 year returns are compound average annual returns. CareSuper returns are net of fees and taxes. Past performance is not a guarantee of future performance. Returns have been rounded to two decimal places.

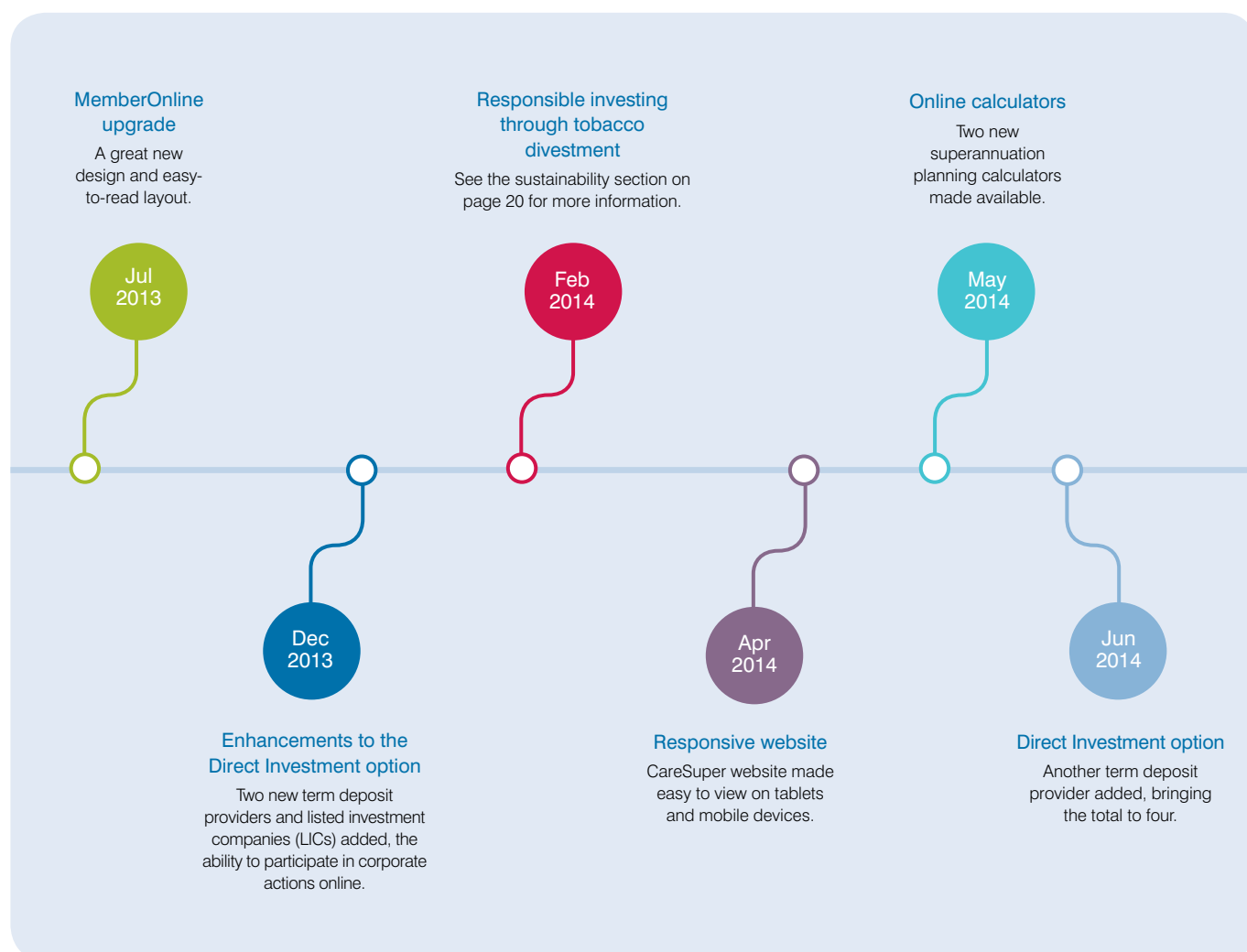
\* Source: SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60–76) Index, June 2014. This survey includes Balanced options for industry funds and master trusts.

\*\* CareSuper did not provide a return to SuperRatings for this period.



## Product changes

We are working hard to make super easy for you and increase the value of your membership. Some of the changes to products and services made throughout the year were:



# Year at a glance

continued

## A snapshot of 2013/14 in numbers

CareSuper's  
total membership was  
over **255,000**

**33%**

More than 83,000  
members have been  
with CareSuper for  
10 years or more

**1%**

There were more than  
2300 members in the  
CareSuper Pension at  
30 June 2014



**OVER \$9 billion** in funds  
under management

**9.39% p.a.** is the **AVERAGE RETURN** since  
inception (1987) for the Super Balanced option

The average account balance of active Employee  
Plan members is **ALMOST \$50,000**

**OVER 12,000** new employers  
registered with CareSuper in 2013/14

### Member engagement



There were over **800,000** visits  
to the CareSuper website



**157,442** phone calls  
were received from members



The financial planning team had  
more than **4000** total contacts  
with CareSuper members



Our client partnership team made  
more than **2000** workplace visits  
and **1100** one-on-one appointments



**44 super seminars** throughout  
the year with **828 attendees**.  
Seminars were held in 7 states and  
territories throughout the country



We have **1060**  
followers on Twitter

# Super update

This information is intended to assist members' understanding of changes to CareSuper's operations and the superannuation landscape within the last 12 months.



## Super guarantee increase

The super guarantee (SG) was raised to 9.5% on 1 July 2014. It is currently scheduled to reach 12% in 2025.



## MySuper

All members whose accounts were held only in CareSuper's Balanced option prior to the implementation of MySuper (1 July 2013) are now considered to have a MySuper interest.



## Insurance changes

In July 2014 we introduced a pre-existing condition exclusion on New Member Options and life events cover. These changes were brought about in an effort to ensure our premiums remain competitive, and to provide sustainable and equitable insurance options for existing members.



## Low Income Super Contribution

In response to the Federal Government proposal to repeal the Low Income Super Contribution (LISC), CareSuper, in participation with other super funds and industry groups, campaigned to save the LISC via the 'Keep super fair' petition.

## What's next?

We are looking to the future to make sure we continue to provide the best products and services for members. Watch the video message from our Chair and CEO online for more information on what the future holds for CareSuper. Some of the projects we are currently working on include:

### Product additions

A self-managed super fund (SMSF) wind up service is now available for CareSuper members. We have partnered with specialist accounting firm Crowe Horwath to offer an SMSF wind up service that provides the expertise, guidance and knowledge required when closing an SMSF. This service is available exclusively to CareSuper members at a discounted rate. To find out more about this service, go to [caresuper.com.au/smsfwindup](http://caresuper.com.au/smsfwindup).

### New online resource

We understand the challenges many women face when it comes to the adequacy of their retirement savings. We have developed a website to provide women with tips, information and inspiration to help them take control of their finances and set themselves up for their retirement. Find out more at [myfutureme.com.au](http://myfutureme.com.au).

### Enhancements to online services

MemberOnline, PensionOnline and Direct Investment Online are now suitable for viewing on mobile devices.

### Enhancements to the Pension product

We have commenced a project to look at how we can best serve the needs of our current and future Pension members with our product offering.



# Taking care of CareSuper



The CareSuper Board is responsible for ensuring CareSuper is managed in the best interests of members.

The Board brings to the table specialist skills and experience to ensure your Fund is professionally managed. The CareSuper Board consists of equal numbers of Member and Employer representative Directors, and an Independent Director. Member and Employer Directors are nominated by relevant organisations in accordance with their particular nomination procedures and appointed by the Board. Decisions of the Board are made by at least a two-thirds majority.

## The Trustee

The Trustee of CARE Super has an indemnity insurance policy in place to protect the Directors of the Trustee, and consequently the Fund, from the potential costs of legal action against them. The Trustee of CARE Super is CARE Super Pty Ltd ABN 91 006 670 060 and it is a holder of Australian Financial Services License number 235226. CARE Super Pty Ltd is a Registered Superannuation Entity Licensee, Licence number L0000956 and has received authority to offer a MySuper product, MySuper number 98172275725867.



## Your board members:

**1 Catherine (Cate) Wood** (Chair)

Member Director

**2 David Michaelis** (Deputy Chair)

Employer Director

**3 Julie Bignell**

Member Director

**4 Sue-Anne Burnley**

Member Director

**5 Chris Christodoulou**

Member Director

**6 Monica Clavijo**

Member Director

**7 Keith Harvey**

Member Director

**8 Garry Brack**

Employer Director

**9 Graeme (Sandy) Grant**

Employer Director

**10 Katherine Sampson**

Employer Director

**11 Mark Sibree**

Employer Director

**12 Barry Watchorn**

Employer Director

**13 Gabriel Szondy**

Independent Director

**14 Julie Lander**

Chief Executive Officer



# Taking care of CareSuper continued

## 1 Catherine (Cate) Wood (Chair)

### Member Director

Cate Wood joined the CareSuper Board in 2000, having been nominated by the Australian Services Union (ASU) where she previously served as the Assistant Secretary of the Victorian Branch. Cate was the CEO and a Director of AGEST Super. She is currently Deputy President of the Australian Institute of Superannuation Trustees and National Chair of Women in Super. Cate was Deputy Chair of the CareSuper Board from March 2012, before being appointed as Chair in March 2014.

**Committee membership:** Investment Review Committee, Governance and Remuneration Committee.

The Chair attends meetings of other Committees on an ex officio basis.

## 2 David Michaelis (Deputy Chair)

### Employer Director

David Michaelis joined the CareSuper Board in October 2012 as an Employer Director following the merger with Asset Super and on the nomination of the New South Wales Business Chamber (NSWBC). Previously, he was the Chairman of Asset Super, also having been nominated to that Board by NSWBC. David previously held senior legal, company secretarial and management roles in a number of public companies. He has also served as a Director and President of the New South Wales Business Chamber and The Australian Chamber of Commerce and Industry.

**Committee membership:** Chair, Governance and Remuneration Committee, Investment Review Committee

## 3 Julie Bignell

### Member Director

Julie Bignell joined the CareSuper Board in April 2013 as a Member Director, nominated by the Australian Services Union (ASU). Julie has been the Branch Secretary of the Central and Southern Queensland Branch since 2000, and has served the union in a variety of capacities, including a stint as National Vice President. Other roles currently held in the union movement include Vice President of the Queensland Council of Unions and Assistant Secretary of Together.

**Committee membership:** Chair, Member and Employer Services Committee

## 4 Sue-Anne Burnley

### Member Director

Sue-Anne Burnley is a Member Director, and was nominated by the Shop, Distributive and Allied Employees Association (SDA), where she is also employed as National Industrial Officer. Sue-Anne is also a director of REST (Retail Employees Superannuation Trust).

**Committee membership:** Member and Employer Services Committee, Investment Review Committee

## 5 Chris Christodoulou

### Member Director

Chris Christodoulou joined the CareSuper Board in October 2012, having been nominated by Unions NSW. From 2010 he served as a Director of Asset Super, until its merger with CareSuper. Chris worked at Unions NSW from 1999 to 2013, where he served as Senior Industrial Officer and reached the position of Assistant Secretary. He is now the Chief Executive Officer of Greenacres Disability Services.

**Committee membership:** Governance and Remuneration Committee, Compliance, Audit and Risk Management Committee

## 6 Monica Clavijo

### Member Director

Monica Clavijo joined the CareSuper Board in April 2013, having been nominated by Unions NSW from one of its affiliated Unions, the United Services Union (USU). Monica has worked at the United Services Union since 2008 in the capacity of Manager – Administration and Finance. Monica has an extensive background in all areas of corporate services and operations, having worked in commercial and the not-for-profit sectors. Additionally, Monica was a member of the Local Government Super Board and other not-for-profit Boards between 1997 and 2009.

**Committee membership:** Compliance, Audit and Risk Management Committee, Investment Review Committee

## 7 Keith Harvey

### Member Director

Keith was first appointed as an Alternate Director in October 2012 and then as a Member Director in December 2013. Keith has had a long career in the union movement, representing the interests of clerical and administrative employees through his roles with the Federated Clerks Union (FCU), 1979–1993, and, following the FCU's amalgamation with other relevant unions, with the Australian Services Union (ASU). He retired from his role as National Industrial Officer at ASU in 2011. He currently chairs Aspire Learning Resources, a not-for-profit training resources publisher specialising in the business and community services sectors.

**Committee membership:** Member and Employer Services Committee, Compliance, Audit and Risk Management Committee



“ as an industry super fund, we are run solely  
for the benefit of our members ”

## 8 Garry Brack

### Employer Director

With the merger of CareSuper and Asset Super in October 2012, Garry Brack joined the CareSuper Board on the nomination of the Australian Federation of Employers and Industries, of which he is the Chief Executive. He was a leading player in the establishment of Asset Super and was a member of its Board from day one. He has over 20 years' experience in corporate and industry superannuation funds.

**Committee membership:** Compliance, Audit and Risk Management Committee

## 9 Graeme (Sandy) Grant

### Employer Director

Sandy Grant joined the CareSuper Board in August 2008 as an Employer Director. Sandy has held senior managerial roles with the Colonial Mutual Group, including General Manager of its superannuation administration business. He has also served as Director of Members Equity Bank and brings a wealth of experience to the Board. Sandy completed his 2-year term as Chair of the CareSuper Board in March 2014.

**Committee membership:** Chair, Investment Review Committee, Governance and Remuneration Committee

## 10 Katherine Sampson

### Employer Director

Katherine Sampson joined the CareSuper Board in May 2014 as an Employer Director. Katherine is Managing Director and principal of Mahlab Recruitment (Vic) Pty Ltd, a specialist legal recruitment firm. Katherine joined Mahlab Recruitment after a career in law at Corr & Corr. She has served on a number of boards and committees in both legal and non-legal spheres. In August 2013 she became a board member of the Monash Law School Foundation. Other board and committee positions have included Deputy Chair of the Walter & Eliza Hall Institute Ethics Committee, the Melbourne International Arts Festival and Deputy Chair of the Australian Press Council.

**Committee membership:** Compliance, Audit and Risk Management Committee, Member and Employer Services Committee

## 11 Mark Sibree

### Employer Director

Mark Sibree joined the Board in February 2013 having been nominated by the Victorian Employers Chamber of Commerce and Industry (VECCI) where he had been a director and president. Mark has senior management experience in the financial services, building society, health and general insurance, pharmacy and other industries. Past roles include Group Managing Director of Australian Unity and General Manager – Investment & Ventures within the Amcor Group.

**Committee membership:** Compliance, Audit and Risk Management Committee, Member and Employer Services Committee

## 12 Barry Watchorn

### Employer Director

Barry Watchorn was nominated as an Employer Director by the Australian Industry Group (AiG) in 1998. Previously a Director of the Australian Chamber of Manufactures and AiG, he has over 30 years' experience in corporate and industry superannuation funds. Barry received the Trustee of the Year Award in 2003 at the Conference of Major Superannuation Funds and has served as a director on the boards of two other industry super funds.

**Committee membership:** Member and Employer Services Committee, Investment Review Committee

## 13 Gabriel Szondy

### Independent Director

Gabriel was a Senior Partner of PricewaterhouseCoopers (PwC), specialising in superannuation and taxation, and is a Chartered Accountant. Gabriel has been involved with CareSuper since its inception and a member of the CareSuper Board since 2001. His involvement in the superannuation industry spans more than 30 years.

**Committee membership:** Chair, Compliance, Audit and Risk Management Committee



### Associated directorships

The following Directors held remunerated directorships during 2013/14 with organisations in which CareSuper invests/or engages services:

**Sandy Grant** Director, Industry Super Holdings Pty Ltd (holding company for IFM Holdings Pty Ltd) and Industry Fund Services Ltd.

**Cate Wood** Director, ISPT Pty Ltd, IGIPT Pty Ltd and Industry Super Australia Pty Ltd (non-remunerated).

# Committees

The Board has established several committees to assist it to meet its obligations and oversee certain operations of the Fund.

All Directors are required to serve on at least one and a maximum of two committees for which they receive an attendance fee. The Chair is a member of two committees and attends other committee meetings on an ex officio basis.

## Compliance, Audit and Risk Management Committee

The purpose of the Compliance, Audit and Risk Management Committee (CARC) is to assist the Board in meeting its compliance and risk management responsibilities.

The main activities of the Compliance, Audit and Risk Management Committee (CARC) in 2013/14 included:

- An internal audit as a result of the new prudential standards from 1 July 2013; appointed KPMG as internal auditor
- Ensuring compliance with the APRA Prudential Standards
- Collating data from various service providers to comply with enhanced reporting to APRA
- Various policy document reviews
- Ongoing monitoring of all risks within the Risk Management Framework.

## Governance and Remuneration Committee

The key tasks for the Governance and Remuneration Committee (GRC) in 2013/14 were:

- Oversight of a Board assessment conducted by an external party
- Various policy document reviews
- Ongoing monitoring of the risks designated to the GRC
- Training for Directors – setting of the structure for the year based on skills matrix and competency assessment
- An APRA thematic review conducted on conflicts of interest.

## Investment Review Committee

The primary function of the IRC is to monitor the implementation of the investment strategy and investment operations within

the framework approved by the Board and as documented in the Investment Policy Statement. The Committee is responsible for the ongoing review of all external providers who manage the investments and investment operations of the Fund. A key priority for the IRC in 2013/14 was the review and reappointment of the Fund's custodian.

## Member and Employer Services Committee

The Member and Employer Services Committee (MESC) is responsible for oversight of:

- The Fund's administration function, policies and services
- The Fund's insurance management framework and strategy and the performance of outsourced providers

- All aspects of the Fund's insurance policies and assessment of all relevant claims
- The Fund's marketing, service, education, communications and product strategies
- The performance of providers of ancillary products
- Risk elements which may arise in relation to the relevant areas.

In 2013/14 some of the specific activities of the MESC included:

- Oversight of the employer, member and pension research projects conducted throughout the year
- Annual review of all member and employer interactions, including outbound activity, financial planning and the client partnership team, leading to implementation of a revised service model in these areas.

## Board and Committee attendance

Directors received a fair base level remuneration for their responsibilities on the Board and were paid for meeting attendance, which varies based on Committee membership.

Director	Fees paid to	Total	Super (where paid to an individual)	Board meetings attended <sup>8</sup>	Committee meetings attended
Sue-Anne Burnley	SDA	\$58,295.82		12/12	21 <sup>1</sup>
Sandy Grant	Director	\$62,570.66	\$5787.79	12/12	9 <sup>2</sup>
Gabriel Szondy	Director	\$48,860.00	\$4519.55	9/12	4
Barry Watchorn	Director	\$52,439.96	\$4850.70	12/12	19 <sup>1</sup>
Cate Wood	Director	\$62,045.01	\$5739.16	12/12	8 <sup>2</sup>
David Michaelis	Director	\$57,614.98	\$5329.39	11/12	13
Julie Bignell	ASU	\$51,016.05		10/12	3
Garry Brack <sup>3</sup>	AFEI	\$35,385.36		5/10	3
Mark Sibree	Director	\$50,059.96	\$4630.55	12/12	9
Chris Christodoulou	Unions NSW	\$52,693.37		11/12	7
Monica Clavijo	USU	\$54,024.15		11/12	9
Keith Harvey <sup>4</sup>	Director	\$29,913.31	\$2766.98	7/7	4
Katherine Sampson <sup>5</sup>	Director	\$9766.66	\$903.42	3/3	2
John Burge <sup>6</sup>	Director	\$39,683.30	\$3670.71	7/9	3
Michael Want <sup>7</sup>	Director	\$24,419.98	\$2258.85	6/6	5

<sup>1</sup> Includes 12 claims review committee meetings.

<sup>2</sup> The Chair attends additional meetings of other Committees on an ex officio basis.

<sup>3</sup> Took a 3-month leave of absence from Nov 2013–Jan 2014.

<sup>4</sup> Attended two additional Board meetings as part of induction process.

<sup>5</sup> Commenced May 2014.

<sup>6</sup> Retired April 2014.

<sup>7</sup> Retired December 2013.

<sup>8</sup> Includes 2-day strategy meeting.

# Governance



CareSuper has a number of governance policies including, but not limited to, the Trust Deed, Board and Committee Charters, Constitution and Fund Governance Framework. View these policies at [caresuper.com.au/governance](https://caresuper.com.au/governance).

Our corporate governance framework consists of a number of standards, policies and procedures, which detail the Trustee's approach to managing the Fund. These policies include the Trust Deed, Board Charter and Constitution. The Trust Deed outlines the powers and responsibilities vested in the Trustee (CARE Super Pty Ltd) and the Constitution outlines how the Trustee will operate. This includes provisions for the appointment and removal of Directors and Independent Director(s). The Board Charter outlines the principle functions, policies and operations of the Board.

## Risk Management Framework

As part of the overall governance of the Fund, CareSuper has developed a Risk Management Framework that covers risks across all operations. The framework is actively managed and reviewed by the Board and Committees. The material risks covered by this framework include investment governance, liquidity, insurance, fraud, operations, strategy and outsourcing. In addition, ongoing monitoring includes a risk radar to identify any potential future risks.

## Related parties

CARE Super Pty Ltd is a shareholder of ISPT Pty Ltd and Industry Super Holdings Pty Ltd (ISH). ISH is the holding company for IFM Holdings Pty Ltd (IFM), Industry Super Australia Pty Ltd and Industry Fund Services Ltd. CARE Super Pty Ltd invests in products of ISPT, IGIPPT Pty Ltd and IFM. All investments are made at arm's length and on standard commercial terms, after appropriate due diligence, and carry the recommendation of our independent asset consultant. Industry Fund Services Ltd (IFS) has a number of subsidiaries including Industry Funds Investments Ltd, Super Members Investments Ltd and IFS Insurance Solutions Pty Ltd. CARE Super Pty Ltd engages the services of a number of these entities.



# Executive staff

The CareSuper Board has appointed an executive group who manage the day-to-day operations of CareSuper.

**Julie Lander**  
CEO and Fund Secretary



Julie joined CareSuper in 2001 as General Manager – Trustee, Investment & Member Services and was appointed Chief Executive Officer in 2002. She is responsible for developing and implementing the Fund's strategy and business plan to meet the needs of members, employers and other stakeholders, and for overall management of the Trustee's operations through the executive team and staff.

Her experience in superannuation has been developed over 30 years with corporate superannuation funds, both defined benefit and accumulation, as well as with industry funds.

Julie holds a Bachelor of Business and has completed RG146 (Superannuation). She serves on the Policy Committee of AIST, the Executive of Industry Funds Forum, is a Fellow of the Australian Institute of Superannuation Trustees, a Member of the Australian Human Resources Institute and is a Director of the Fund Executives Association.

**Greg Nolan**  
General Manager – Investments



Greg joined CareSuper in 2006 as General Manager – Investments. Greg is responsible for advising on and implementing CareSuper's investment strategy as determined by the Board. Greg is also responsible for managing the relationship with the Fund's asset consultant and investment managers to ensure the philosophy and objectives of the Board's strategy are satisfied.

Greg has spent his entire career in the financial sector, commencing in 1974 in money markets where he developed extensive experience as a trader and client relationship manager specialising in fixed interest assets.

Greg holds a Bachelor of Economics (Monash) and has successfully completed the Investment Management Consultants Assn (Aust) (IMCA) course for financial analysts.

## Belinda Ray

### General Manager – Compliance, Risk and Finance



Belinda joined CareSuper in January 2012 and is responsible for managing risk and finance, the compliance team and major projects for CareSuper. Belinda has over 18 years' experience in superannuation including consulting, auditing and accounting.

Belinda started her career as an auditor at Ernst & Young before moving to Towers Watson where she held numerous roles including Senior Consultant for corporate super funds and Head of Research, Information and Compliance. Belinda holds a Bachelor of Business (Accounting & Information Systems) and is a Member of the Institute of Chartered Accountants in Australia.

## Peter Theodorakopoulos

### General Manager – Marketing and Client Services



Peter joined CareSuper in 2002 as General Manager – Marketing & Client Services. He is responsible for marketing strategy and execution, and for the delivery of member and employer services, including education, communications, business services and ancillary products.

His experience in the superannuation industry spans over 20 years across a variety of roles which include marketing, sales, relationship management, product development, sponsorship agreements and administration. Peter has experience in accumulation and defined benefit schemes, as well as corporate superannuation. Peter is a Fellow of the Association of Superannuation Funds of Australia (ASFA) and has completed RG146 (Superannuation).

## Bernard Weekes

### General Manager – Administration and Insurance



Bernard joined CareSuper in 1998 with overall responsibility for member and employer administration services, development and implementation of insurance benefits and management of the relationships with the fund's Administrator and Insurer.

He has over 30 years' experience in the financial services sector, having worked in corporate superannuation funds, defined benefits and accumulation, as well as industry funds. Bernard has previously held several superannuation management positions. Prior to joining CareSuper he worked for a major insurance company as the Manager, Financial Services, where he managed a national superannuation fund. Bernard has completed RG146 (Superannuation) and other relevant superannuation courses.

# The CareSuper team

## Diversity

At CareSuper we believe that the quality of decision making is enhanced by having a range of views represented at Board, Executive and staff levels. We consciously strive to achieve balance by seeking diversity across a number of factors including gender, age, experience, skills and professional qualifications.

The Fund aims to achieve equal gender representation at Board level and, when seeking to fill Director vacancies, nominating organisations are asked to consider this, along with other criteria, when proposing candidates.

In recruitment of staff, selection will be made on merit, taking into account the skills, qualifications, experience and other attributes required to perform the role and contribute to the team.

### Gender diversity

Category	Males	Females
Board	8	5
Executive team	3	2
Other staff	14	27

As at 30 June 2014

## How we remunerate staff

The objectives of the Fund's remuneration policy are to ensure that:

- CareSuper provides a fair, equitable and competitive remuneration framework that recognises and rewards individual contribution
- CareSuper attracts, retains and rewards its people appropriately
- CareSuper's remuneration reflects the market in which the Fund competes for the capabilities required to achieve its business priorities and is consistent with its values and profit-to-members ethos.

Staff are remunerated by way of a fixed salary package. The Fund does not pay short- or long-term incentives, believing these are not aligned with its profit-to-members ethos. CareSuper's target salary position is the 50th percentile (median) of the profit-to-members financial services sector (covering superannuation funds and

credit unions). Annually, the CEO sources relevant market data from surveys to benchmark the salaries of each position within the Trustee Office. The annual salaries budget and total increases are approved by the Governance and Remuneration Committee.

Salary range	Number of Trustee staff
\$50,000 – \$100,000	19
\$100,000 – \$200,000	20
\$200,000 – \$300,000	3
\$300,000 – \$400,000	0
\$400,000 – \$500,000	1

As at 30 June 2014



# Partnerships

## Independent experts

CareSuper works with a range of independent experts to assist with the key operations of your super fund.

### Service providers

CareSuper's service providers during 2013/14 were:

#### Administration

Australian Administration Services Pty Ltd

#### Asset Consultant

JANA Investment Advisers Pty Ltd

#### Auditors

KPMG, PricewaterhouseCoopers

#### Credit Control Services

Industry Funds Credit Control

#### Custodian

NAB Asset Servicing, Pacific Custodians Pty Limited

#### Insurer

CommInsure

#### Insurance adviser

IFS Insurance Solutions

#### Legal Advisers

IFS Legal, Greenfields Financial Services Lawyers (Melbourne), Hall & Wilcox Lawyers

#### Tax Adviser

KPMG

### Compliance

CARE Super is a regulated superannuation fund under the *Superannuation Industry (Supervision) Act*. The Trustee will lodge its annual return for 2014 as required by that Act and will continue to operate in accordance with all statutory requirements of superannuation, taxation and other relevant legislation.

### Our investment adviser

JANA Investment Advisers Pty Ltd (JANA) was established in 1987 as a specialist investment adviser to large institutional investors such as CareSuper. JANA provides extensive research and recommendations on investment strategy and managers for the Fund. With JANA's assistance, the Trustee monitors and reviews the performance of each investment manager.

# A sustainable Fund



## Sustainable investing

Sustainable investing refers to the incorporation of non-financial risks, threats and opportunities into investment decision making and ownership practices. We believe it is imperative to invest funds under management responsibly, in a way that aligns with our overall risk management approach and focus on maximising retirement outcomes. As such, we integrate the consideration of environmental, social and governance (ESG) factors into our investment process in the belief that managing these risks will improve long-term returns to members.

We strongly encourage all of our investment managers to consider ESG factors when investing, and the Fund made the decision in February 2014 to ask our managers to exclude tobacco stocks from our portfolio, as we see holding these companies as a long-term risk.

CareSuper is a signatory to the **Principles of Responsible Investing (PRI)**. The PRI is a voluntary international framework designed to help improve corporate performance on ESG issues. Each year CareSuper completes a PRI survey disclosing the efforts we have made towards implementing these six principles.

CareSuper is also a founding member of the **Australian Council of Super Investors (ACSI)** and **ESG Research Australia**, and a supporter of the **Carbon Disclosure Project**. CareSuper believes in being part of a collective voice and working with others within the investment industry to enhance our effectiveness in response to ESG issues. With regard to Australian Shares held by the Fund, our policy is to vote on all issues that companies in which we invest put to their shareholders at general or annual general meetings.

While CareSuper applies ESG principles across all asset classes that make up the investment options, thereby providing strong sustainability credentials, the Fund also offers a Sustainable Balanced option, which specifically invests in entities that are considered to have a sustainable future on environmental and/or social grounds.

## In the workplace

At CareSuper, we feel strongly about incorporating environmentally friendly workplace practices into the day-to-day running of our office. Ongoing practices include, but are not limited to:

- Purchasing 20% GreenPower, meaning that 20% of our electricity usage is sourced from GreenPower accredited renewable sources, like wind and solar generation.
- The use of paper manufactured in an environmentally responsible way (where possible) when producing publications – this means paper that has been sourced from well-managed forests. Much of this paper carries eco credential logos, such as the internationally recognised EU Flower eco-label.
- Office buildings and appliances are leased or purchased taking energy ratings and efficiency into consideration.
- The consideration of ESG principles (or sustainability credentials) when selecting material service providers and in the procurement of goods and services.



## Sustainability and members

We have been working hard to improve the way we communicate with you. As much as possible, we now try to keep you informed about your super via email. This minimises our printing requirements, which in turn reduces our impact on the environment.

Recently, we conducted research which revealed that over 90% of our members care about the environment and conservation, so we know these issues are important to you too. At CareSuper, you have a range of online, environmentally friendly options available to you, such as signing up for e-statements (see below) or updating your details via MemberOnline, rather than printing out a form.



## Our sustainability committee

To ensure strong sustainability practices, CareSuper has a proactive staff sustainability committee. It is the committee's role to raise awareness of sustainability issues within CareSuper's offices and among members, suppliers and partners. In the past year, the committee has ensured sustainability is considered with regard to our products, services and other internal operations, and has introduced the following initiatives:

- A five-bin waste/recycling system that diverts more than 70% of office waste away from landfill
- New technologies, including the rollout of hybrid computers which enable client-facing staff to assist members and employers without the need for paper-based materials
- E-waste collection and recycling to ensure outdated technologies are disposed of in an eco-friendly manner
- Contribution to research around the sustainability expectations of CareSuper members.

### Members registered for e-statements



**35,000+** members registered for MemberOnline in 2013/14, bringing the total number of members registered to over **81,000**



Over **258,000** electronic employer payments were made in 2013/14



Over **900** Pension members registered for PensionOnline during the year



### How you can help

Almost 50,000 members were registered for e-statements as at 30 June 2014. You can sign up too. It's easy, just log in to MemberOnline at [caresuper.com.au/login](http://caresuper.com.au/login) or call the CareSuperLine on 1300 360 149.

# Investment update

CareSuper has delivered another year of strong results for our members, with the Balanced (MySuper) option delivering a return of 12.84% for the 2013/14 financial year. The Pension Balanced option has also performed well, returning 14.03% for the same period.



**Greg Nolan,**  
General Manager –  
Investments

These results compare favourably to other funds, and the superannuation return has outperformed the SuperRatings\* median Balanced option for yet another year.

The superannuation options with the highest returns were Overseas Shares (18.26% p.a.) and Australian Shares (16.87% p.a.). Growth and Capital Stable options also delivered healthy 1-year returns for members. The table below provides the full returns for both Super and Pension funds.

## Focusing on the long term

More importantly, the 10-year average return of the Balanced option at 30 June 2014 is 7.73% p.a. This places CareSuper in the top 5 of similar Balanced options according to SuperRatings.\*

Our other super investment options also measure up well: SuperRatings ranks all CareSuper options with a 10 year track record **in the top 10**, when compared against similar options.\*\*

This is a great result for our members and highlights our ability to manage volatility in financial markets. It also demonstrates our track record of delivering consistently strong long-term performance, which has been achieved as a result of:

- Our emphasis on selecting active investment managers who demonstrate consistent outperformance
- Strategic asset allocation towards alternative assets including infrastructure, private equity, credit and absolute return funds
- A disciplined approach to investing guided by a strong governance framework.

## The year that was

Investment markets in 2013/14 all performed strongly, led by share markets. Global economic conditions largely improved, with sentiment and growth in the major developed economies supported by low interest rates and the monetary policies of central banks.

These factors reduced volatility and boosted the performance of risk assets, particularly in the US. Stabilisation of European economic activity lifted hopes of a stronger-than-expected turnaround in growth, although levels still remain muted.

The Australian dollar continues to remain resilient, despite concerns over the negative impact of the mining boom coming to an end and a lacklustre pickup in activity in non-mining sectors of the Australian economy.

## Looking forward

While it is pleasing to see the positive performance of all our investment options, expectations for the coming 12 months are more subdued. Favourable financial conditions and ongoing recovery in the major developed world economies continue to have a positive effect on growth assets.

However, as prices rise so does risk, and CareSuper is currently adopting a somewhat defensive stance in its asset allocation in view of the fact that many market valuations are considered at the top end of their ranges.

\* As measured by the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2014.

\*\* As measured by the SuperRatings Fund Crediting Rate Survey, June 2014.





## Investment-related product updates

### Direct Investment option updates

Enhancements to the Direct Investment option over the last year have provided our members with even more flexibility and choice:

- Three new term deposit providers have been added to the Direct Investment option, so members can now choose to invest in term deposits from four different banks
- In response to member feedback, CareSuper was one of the first industry super funds to offer listed investment companies (LICs) as an investment option
- Nine new ETFs (exchange-traded funds) added to offer members access to a wider range of markets and sectors
- Members can now choose to participate in certain types of corporate actions online, including off-market buybacks, rights issues, share purchase plans, mergers and takeovers.

### Changes to the Capital Guaranteed option

CareSuper has changed the way the Capital Guaranteed option is managed, with the intention of providing members with more consistent returns. The Capital Guaranteed option is now invested more conservatively.

The Capital Guaranteed option still aims to ensure the security of members' capital, and is still most suitable for members seeking to maintain the capital value of their investment.

These changes became effective on 2 December 2013.

# Investments update

## continued

### Investment returns (after fees and taxes) to 30 June 2014

#### Super annual returns

Investment options	Annual returns					Compound average annual returns			
	2013/14 (%)	2012/13 (%)	2011/12 (%)	2010/11 (%)	2009/10 (%)	10 years (% p.a.)	7 years (% p.a.)	5 years (% p.a.)	3 years (% p.a.)
<b>Managed options</b>									
Capital Guaranteed	<b>1.67</b>	0.90	2.35	3.30	2.70	3.90	3.06	2.18	1.64
Capital Stable	<b>8.02</b>	10.46	5.16	7.70	9.10	6.60	5.26	8.07	7.86
Conservative Balanced	<b>9.80</b>	12.92	4.05	8.50	9.30	–	5.13	8.88	8.86
<b>Balanced</b>	<b>12.84</b>	<b>16.15</b>	<b>2.08</b>	<b>10.20</b>	<b>8.90</b>	<b>7.73</b>	<b>4.79</b>	<b>9.93</b>	<b>10.19</b>
Sustainable Balanced	<b>12.29</b>	16.07	2.27	9.10	9.30	6.90	4.12	9.71	10.05
Alternative Growth	<b>12.69</b>	16.93	1.81	10.90	9.60	–	5.15	10.27	10.29
Growth	<b>15.30</b>	20.01	-0.13	10.10	10.20	7.98	4.55	10.89	11.39
<b>Asset Class options</b>									
Capital Secure	<b>2.83</b>	3.39	4.20	4.90	4.00	4.21	3.82	3.86	3.47
Fixed Interest	<b>4.93</b>	6.04	11.37	7.00	11.00	6.49	7.11	8.03	7.41
Direct Property	<b>8.60</b>	5.89	7.36	8.60	4.30	6.91	4.31	6.94	7.28
Australian Shares	<b>16.87</b>	20.78	-4.67	11.60	11.70	9.24	3.10	10.90	10.40
Overseas Shares	<b>18.26</b>	30.73	-2.29	8.10	9.50	6.22	4.54	12.33	14.74

The long-term returns shown above may differ from your actual returns. Where a 10-year average is not reported, it's because the option has existed for less than 10 years. The returns shown above are after fees and tax, and have been rounded to two decimal places. All net investment returns are reflected in the sell price of each investment option. Past performance is not a guarantee of future performance.

## Investment returns (after fees and taxes) to 30 June 2014

### Pension annual returns

Investment options	CareSuper Pension annual returns					Compound average annual returns		
	2013/14 (%)	2012/13 (%)	2011/12 (%)	2010/11 (%)	2009/10 (%)	Since inception <sup>^</sup> (%p.a.)	5 years (% p.a.)	3 years (% p.a.)
<b>Managed options</b>								
Capital Guaranteed	1.84	0.95	2.39	3.30	2.86	3.12	2.25	1.72
Capital Stable	8.95	11.74	5.76	9.10	10.65	6.02	9.19	8.79
Conservative Balanced	10.92	14.97	4.48	10.00	10.86	5.93	10.18	10.04
<b>Balanced</b>	<b>14.03</b>	<b>18.19</b>	<b>2.77</b>	<b>11.50</b>	<b>11.70</b>	<b>5.74</b>	<b>11.50</b>	<b>11.47</b>
Sustainable Balanced	13.62	18.43	3.23	10.90	10.92	4.84	11.29	11.58
Alternative Growth	12.72	18.94	2.29	13.00	11.23	5.72	11.48	11.10
Growth	16.77	22.18	0.22	12.00	11.84	5.13	12.33	12.66
<b>Asset Class options</b>								
Capital Secure	3.24	4.15	5.07	5.70	4.81	4.53	4.57	4.15
Fixed Interest	5.84	6.93	12.74	8.10	12.91	8.18	9.24	8.46
Direct Property	9.62	7.02	8.37	9.70	5.23	4.91	7.95	8.33
Australian Shares	19.39	23.10	-4.69	13.20	13.47	3.48	12.45	11.89
Overseas Shares	19.88	35.04	-1.66	9.60	10.92	5.19	14.09	16.76

The long-term returns shown above may differ from your actual returns. The returns shown above are after fees and tax, and have been rounded to two decimal places. All net investment returns are reflected in the sell price of each investment option. Past performance is not a guarantee of future performance.

<sup>^</sup> The inception date of the CareSuper Pension is 1 July 2007.

“ it's the returns over the long term that really count...”

# Investment managers

CareSuper has appointed professional investment managers to manage the assets of the fund. The performance of each investment manager is monitored closely by the Trustee. The tables below list the investment managers by asset class, the value of funds held by each and the percentage of total fund's assets that each holding represents.

CareSuper's investment managers during 2013/14	Investments held by managers			
	2014		2013	
	\$m	% of Fund	\$m	% of Fund
<b>Absolute return</b>				
Fauchier Partners Absolute Return Trust <sup>2</sup>	0.00	0.00%	64.09	0.83%
GAM Absolute Return Bond Fund <sup>1</sup>	76.59	0.85%	0.00	0.00%
GMO Multi Strategy Trust <sup>1</sup>	154.92	1.71%	0.00	0.00%
Schroder Real Return Fund <sup>2</sup>	0.00	0.00%	33.64	0.43%
Wellington Global Total Return <sup>1</sup>	84.89	0.94%	0.00	0.00%
<b>Total</b>	<b>316.40</b>	<b>3.50%</b>	<b>97.73</b>	<b>1.26%</b>
<b>Australian shares</b>				
IFM Enhanced Index Equity Fund	611.81	6.77%	521.29	6.71%
Integrity Australian Equity	149.80	1.66%	129.10	1.66%
Paradise Investment Management Large Caps	430.61	4.77%	356.23	4.59%
Perennial Value	386.34	4.28%	321.16	4.14%
Renaissance Smaller Companies	73.69	0.82%	59.02	0.76%
Schroder Australian Equity Fund	497.70	5.51%	427.33	5.50%
<b>Total</b>	<b>2,149.95</b>	<b>23.80%</b>	<b>1,814.13</b>	<b>23.37%</b>
<b>Capital guaranteed</b>				
AMP Guaranteed Savings Account <sup>3</sup>	56.06	0.62%	62.47	0.80%
<b>Total</b>	<b>56.06</b>	<b>0.62%</b>	<b>62.47</b>	<b>0.80%</b>
<b>Cash</b>				
CFS Wholesale Premium Cash Fund <sup>2</sup>	0.00	0.00%	413.24	5.32%
CFS Wholesale Cash Fund <sup>1</sup>	516.10	5.71%	0.00	0.00%
Term Deposits <sup>4</sup>	319.86	3.54%	358.55	4.62%
<b>Total</b>	<b>835.96</b>	<b>9.25%</b>	<b>771.79</b>	<b>9.94%</b>
<b>Credit</b>				
Apollo Credit Fund	129.05	1.43%	124.36	1.60%
Gresham Property Fund No. 4	7.46	0.08%	13.67	0.18%
HayFin Direct Lending <sup>1</sup>	23.91	0.26%	0.00	0.00%
IFM Infrastructure Debt	77.49	0.86%	89.14	1.15%
Putnam Structured Credit	204.63	2.27%	188.81	2.43%
TGM Credit Overlay <sup>6</sup>	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>442.54</b>	<b>4.90%</b>	<b>415.97</b>	<b>5.36%</b>

CareSuper's investment managers during 2013/14	Investments held by managers			
	2014		2013	
	\$m	% of Fund	\$m	% of Fund
<b>Direct property</b>				
Charter Hall Core Plus Office Fund	205.86	2.28%	142.14	1.83%
DEXUS Wholesale Property Fund	427.82	4.74%	345.19	4.45%
Eureka Development Fund No. 2	0.20	0.00%	0.32	0.00%
ISPT Core Fund	275.25	3.05%	251.82	3.24%
ISPT Development & Opportunities Fund No. 2	19.33	0.21%	28.06	0.36%
ISPT Grosvenor International Property Trust <sup>7</sup>	0.59	0.01%	0.90	0.01%
ISPT Retail Australia Property Trust	42.53	0.47%	32.22	0.42%
Lend Lease Australian Prime Property Fund Industrial <sup>2</sup>	0.00	0.00%	12.17	0.16%
Lend Lease Australian Prime Property Fund Retail	31.09	0.34%	28.66	0.37%
<b>Total</b>	<b>1,002.68</b>	<b>11.10%</b>	<b>841.49</b>	<b>10.84%</b>
<b>Fixed interest</b>				
Franklin Templeton Global Aggregate Bond Fund	89.66	0.99%	81.95	1.06%
IFM Specialised Credit Fund <sup>6</sup>	114.66	1.27%	105.18	1.35%
Legg Mason Brandywine Global Fixed Income Trust	221.01	2.45%	207.94	2.68%
ME Bank Super Loans Trust	10.44	0.12%	14.46	0.19%
Perennial Australian Fixed Interest	205.54	2.28%	192.39	2.48%
Schroder Fixed Income Fund	197.80	2.19%	186.50	2.40%
<b>Total</b>	<b>839.12</b>	<b>9.29%</b>	<b>788.42</b>	<b>10.15%</b>
<b>Infrastructure</b>				
AMP Capital Infrastructure Equity Fund	61.91	0.69%	56.09	0.72%
AMP Capital Strategic Infrastructure Trust Of Europe (\$A)	44.53	0.49%	43.92	0.57%
Antin Infrastructure Fund	25.51	0.28%	23.55	0.30%
Hastings Utilities Trust Of Australia	139.36	1.54%	73.24	0.94%
IFM Australian Infrastructure Fund	217.81	2.41%	192.57	2.48%
IFM Renewable Energy (Convertible Notes)	20.00	0.22%	19.95	0.26%



CareSuper's investment managers during 2013/14	Investments held by managers			
	2014		2013	
	\$m	% of Fund	\$m	% of Fund
Macquarie Global Infrastructure Fund II	23.72	0.26%	24.82	0.32%
TGM Infrastructure Overlay	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>532.85</b>	<b>5.90%</b>	<b>434.15</b>	<b>5.59%</b>
<b>Overseas shares</b>				
Baillie Gifford Long Term Global Growth	194.67	2.15%	146.05	1.88%
CFS Global Emerging Markets	160.80	1.78%	145.95	1.88%
MFS Global Equity Trust	591.91	6.55%	494.47	6.37%
Neuberger Berman Emerging Markets	70.86	0.78%	63.80	0.82%
Orbis Global Equity Fund	257.06	2.85%	209.74	2.70%
Pzena Global Value Fund	161.66	1.79%	131.15	1.69%
Schroder Global Dynamic Blend	476.08	5.27%	393.31	5.07%
Wellington Global Contrarian Equity	227.63	2.52%	185.60	2.39%
Zurich Global Thematic Share Fund	182.54	2.02%	156.37	2.01%
TGM Overseas Shares Overlay	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>2,323.21</b>	<b>25.72%</b>	<b>1,926.44</b>	<b>24.81%</b>
<b>Private equity</b>				
Advent Private Capital V	6.32	0.07%	6.53	0.08%
AMP Business Development Fund <sup>7</sup>	0.01	0.00%	0.01	0.00%
Apax Europe VII <sup>2</sup>	0.00	0.00%	10.43	0.13%
Archer Capital Fund 4 <sup>2</sup>	0.00	0.00%	4.45	0.06%
Bain Capital Fund IX	6.58	0.07%	10.94	0.14%
Bain Capital Fund X	9.95	0.11%	10.00	0.13%
CHAMP Ventures 6A/6B <sup>2</sup>	0.00	0.00%	7.03	0.09%
Coller International Partners V	3.92	0.04%	5.46	0.07%
Highland Credit Opportunities Fund	6.72	0.07%	6.15	0.08%
IFM Australian Private Equity Fund III	4.68	0.05%	5.17	0.07%
IFM Australian Private Equity Fund IV	14.11	0.16%	13.41	0.17%
IFM International Private Equity Fund I	1.45	0.02%	1.95	0.03%
IFM International Private Equity Fund II	8.33	0.09%	8.69	0.11%
IFM International Private Equity Fund III	32.40	0.36%	26.32	0.34%
Industry Super Holdings Pty Ltd	9.74	0.11%	9.28	0.12%
LGT Crown Europe Middle Market II	31.59	0.35%	26.92	0.35%
LGT Crown Global Secondaries II	34.55	0.38%	37.04	0.48%
Members Equity Bank Pty Ltd	23.41	0.26%	18.28	0.24%
OCM Opportunities Fund VII/VIIb <sup>2</sup>	0.00	0.00%	2.86	0.04%
Partners Group Direct Investments 2012 <sup>1</sup>	32.01	0.35%	0.00	0.00%
Partners Group Secondary 2008	25.32	0.28%	28.66	0.37%
Partners Group Secondary 2011	64.76	0.72%	28.52	0.37%

CareSuper's investment managers during 2013/14	Investments held by managers			
	2014		2013	
	\$m	% of Fund	\$m	% of Fund
Siguler Guff Distressed Opportunities IV	65.89	0.73%	53.20	0.69%
Siguler Guff Small Buyout Opportunities Fund II <sup>1</sup>	29.41	0.33%	0.00	0.00%
Stafford International Timberland VI	13.81	0.15%	13.29	0.17%
Warakirri International Hedge Equity Fund <sup>5 7</sup>	0.49	0.01%	0.78	0.01%
Wilshire Private Markets	30.12	0.33%	32.15	0.41%
Wilshire Private Markets Asia No. 2	2.00	0.02%	1.99	0.03%
TGM Private Equity Overlay	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>457.57</b>	<b>5.07%</b>	<b>369.51</b>	<b>4.76%</b>
<b>Sustainable Australian shares</b>				
AMP Capital Sustainable Share Fund	20.84	0.23%	18.09	0.23%
<b>Total</b>	<b>20.84</b>	<b>0.23%</b>	<b>18.09</b>	<b>0.23%</b>
<b>Share strategies<sup>2</sup></b>				
Holwesko Global Fund <sup>2</sup>	0.00	0.00%	151.38	1.95%
TGM Share Strategies Overlay <sup>2</sup>	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>0.00</b>	<b>0.00%</b>	<b>151.38</b>	<b>1.95%</b>
<b>Sustainable overseas shares</b>				
Candriam Sustainable Global Equity Fund <sup>6</sup>	24.40	0.27%	20.04	0.26%
TGM Sustainable Overseas Shares Overlay	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>24.40</b>	<b>0.27%</b>	<b>20.04</b>	<b>0.26%</b>
<b>Asset allocation overlays</b>				
TGM Pension Balanced Overlay	1.02	0.01%	0.20	0.00%
TGM Pension Capital Stable Overlay	0.44	0.00%	0.10	0.00%
TGM Super Balanced Overlay	26.85	0.30%	51.01	0.66%
TGM Super Capital Stable Overlay	0.82	0.01%	0.20	0.00%
TGM Super Growth Overlay	2.09	0.02%	1.00	0.01%
TGM Super Sustainable Balanced Overlay	0.29	0.00%	0.10	0.00%
TGM Pension Conservative Balanced Overlay <sup>1</sup>	0.24	0.00%	0.00	0.00%
TGM Super Conservative Balanced Overlay <sup>1</sup>	0.23	0.00%	0.00	0.00%
<b>Total</b>	<b>31.97</b>	<b>0.35%</b>	<b>52.61</b>	<b>0.68%</b>
	<b>9,033.56</b>	<b>100.00%</b>	<b>7,764.23</b>	<b>100.00%</b>

<sup>1</sup> Appointed/added during the year.

<sup>2</sup> Terminated during the year.

<sup>3</sup> During the year, this product changed from the AMP Capital Guaranteed Superannuation Policy, part of the AMP Life Statutory Fund No.1 (SF1) pool of assets, to the AMP Guaranteed Savings Account. Accumulation assets are invested in the AMP Guaranteed Savings Account (Superannuation) and Pension assets are invested in the AMP Guaranteed Savings Account (Pension).

<sup>4</sup> Term Deposits held with Bank of Melbourne, BankWest and ME Bank.

<sup>5</sup> Moved asset class during the year from the Share Strategies asset class (now discontinued) to the Private Equity asset class.

<sup>6</sup> Name change during year.

<sup>7</sup> Investment being wound down. Small residual balance remaining.

Figures exclude derivative positions. Percentages may not sum to totals shown due to rounding.

TGM is CareSuper's currency hedging and asset allocation (rebalancing) manager.

# Investment holdings

The top holdings of the Australian shares, overseas shares, direct property, cash, infrastructure and fixed interest asset classes are listed in the following pages.

## Australian shares

Top 20 holdings as at 30 June 2014

Security	% of asset class	% of Balanced (MySuper) option
BHP Billiton Ltd	8.77%	1.84%
Commonwealth Bank Of Australia	8.51%	1.79%
Westpac Banking Corporation	7.35%	1.54%
Australia And New Zealand Banking Group	6.95%	1.46%
National Australia Bank	6.25%	1.31%
Telstra Corporation Ltd	4.84%	1.02%
Woolworths Ltd	3.57%	0.75%
Woodside Petroleum Ltd	3.00%	0.63%
Wesfarmers Ltd	2.98%	0.63%
Macquarie Group Ltd	2.24%	0.47%
Rio Tinto Ltd	2.17%	0.46%
Brambles Ltd	2.04%	0.43%
Origin Energy Ltd	1.79%	0.38%
CSL Ltd	1.73%	0.36%
AMP Ltd	1.54%	0.32%
QBE Insurance Group Ltd	1.42%	0.30%
Transurban Group	1.35%	0.28%
Amcor Ltd	1.03%	0.22%
Orica Ltd	0.97%	0.20%
Westfield Corporation	0.96%	0.20%
<b>Total of asset class</b>	<b>69.46%</b>	<b>14.59%</b>

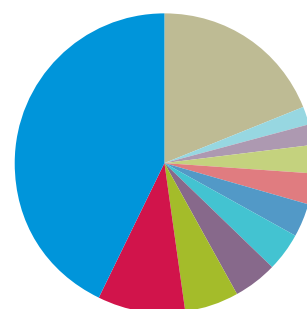
## Overseas shares

Top 20 holdings as at 30 June 2014

Security	% of asset class	% of Balanced (MySuper) option
Amazon.com Inc	0.86%	0.22%
Tencent Holdings Ltd	0.85%	0.22%
Oracle Corp	0.85%	0.22%
Baidu Inc (ADR)	0.81%	0.21%
Linde AG	0.80%	0.21%
Samsung Electronics Co Ltd	0.79%	0.20%
Reckitt Benckiser Group PLC	0.79%	0.20%
Walt Disney Co	0.78%	0.20%
Honeywell International Inc	0.73%	0.19%
Nestle SA	0.70%	0.18%
American International Group	0.68%	0.18%
Google Inc	0.67%	0.17%
Accenture PLC	0.64%	0.17%
Schneider Electric SA	0.64%	0.17%
Microsoft Corp	0.61%	0.16%
Diageo PLC	0.59%	0.15%
Illumina Inc	0.59%	0.15%
Visa Inc	0.59%	0.15%
Bayer AG	0.59%	0.15%
3M Co	0.58%	0.15%
<b>Total of asset class</b>	<b>14.12%</b>	<b>3.67%</b>

### Overseas shares country allocation

- United States 42.91%
- United Kingdom 9.46%
- Japan 5.81%
- France 4.65%
- China 4.19%
- Switzerland 3.55%
- Germany 3.42%
- South Korea 3.20%
- Netherlands 2.08%
- Hong Kong 2.01%
- Other countries 18.72%



These holdings are based on the aggregate positions of CareSuper's investment managers and exclude cash and futures.

Percentages may not sum to totals shown due to rounding. The figures are subject to change or revision at any time and CareSuper accepts no responsibility for omissions or errors. For more information on CareSuper's investment managers go to [caresuper.com.au/investmentmanagers](http://caresuper.com.au/investmentmanagers).

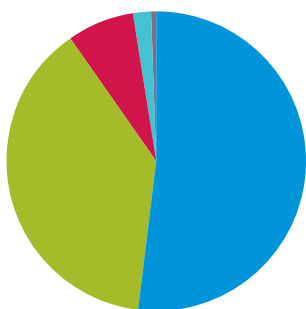
## Direct property

Top 20 Holdings as at 30 June 2014

Property	Sector	State	% of asset class	% of Balanced (MySuper) option
Gateway, 1 Macquarie Place, Sydney	Office	NSW	6.83%	0.82%
Westfield Miranda, Sydney	Retail	NSW	6.79%	0.81%
Westfield Hurstville, Sydney	Retail	NSW	2.34%	0.28%
Willows and adjacent properties, Townsville	Retail	QLD	2.18%	0.26%
1 Bligh St, Sydney	Office	NSW	2.17%	0.26%
Westfield North Lakes, Brisbane	Retail	QLD	2.11%	0.25%
Westfield West Lakes, Adelaide	Retail	SA	2.09%	0.25%
570 Bourke Street, Melbourne	Office	VIC	2.03%	0.24%
Westfield Mt Druitt, Sydney	Retail	NSW	2.03%	0.24%
11 Exhibition Street, Melbourne	Office	VIC	2.03%	0.24%
452 Flinders Street, Melbourne	Office	VIC	1.96%	0.23%
275 George Street, Brisbane	Office	QLD	1.94%	0.23%
360 Collins St, Melbourne	Office	VIC	1.91%	0.23%
225 St Georges Terrace, Perth	Office	WA	1.91%	0.23%
9 Castlereagh Street, Sydney	Office	NSW	1.85%	0.22%
Northbank Plaza, Brisbane	Office	QLD	1.70%	0.20%
BankWest Place, Perth	Office	WA	1.63%	0.20%
AM60, 60 Albert Street, Brisbane	Office	QLD	1.43%	0.17%
Brisbane Square, Brisbane	Office	QLD	1.41%	0.17%
Westfield Doncaster Shopping Centre, 619 Doncaster Road, Doncaster	Retail	VIC	1.41%	0.17%
<b>Total of asset class</b>			<b>47.76%</b>	<b>5.73%</b>

### Direct property sector allocation

- Office 52.19%
- Retail 38.29%
- Industrial 7.18%
- Development 1.93%
- Other 0.41%



These holdings are based on the aggregate positions of CareSuper's investment managers and exclude cash and futures.

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# Investment holdings

## continued

### Cash

#### Holdings as at 30 June 2014

CareSuper's Cash asset class invests in two sub-asset classes: Cash and Term Deposits. Cash is managed by Colonial First State and invests in a range of securities deemed as cash, including term deposits and discount securities. Term Deposits are managed internally by CareSuper. Benchmark exposures to sub-asset classes within the Cash asset class can be found below.

Cash instrument	Cash (sub-asset class)	Term deposits (sub-asset class)
Term deposits	19.13%	100.00%
Negotiable certificates of deposits	67.36%	
Floating rate notes	10.77%	
Deposit accounts	2.72%	
Cash	0.02%	
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Maturity profile	Cash	Term deposits
0 – 30 days	26.29%	8.39%
31 – 90 days	47.62%	20.09%
91 – 180 days	26.09%	41.13%
181 – 365 days	0.00%	30.40%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Option	Cash sub-asset class benchmark %	Term deposit sub-asset class benchmark %	Total cash asset class benchmark %
Capital Stable	13%	25%	38%
Conservative Balanced	8%	20%	28%
Balanced	3%	2%	5%
Sustainable Balanced	3%	2%	5%
Capital Secure	50%	50%	100%
Fixed Interest	2%	33%	35%

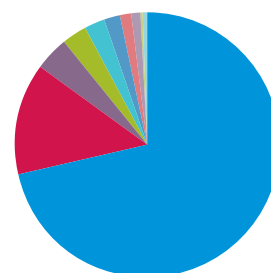
### Infrastructure

#### Top 20 holdings as at 30 June 2014

Infrastructure asset	% of asset class	% of Balanced (MySuper) option
Melbourne Airport	16.53%	1.16%
Perth Airport	9.68%	0.68%
Pacific Hydro	7.61%	0.53%
Port of Brisbane	6.67%	0.47%
NSW Ports	6.66%	0.47%
Brisbane Airport	3.92%	0.27%
Interlink Roads (M5)	3.82%	0.27%
Renewable Energy Convertible Note	3.75%	0.26%
Newcastle Airport	3.00%	0.21%
South East Water	2.61%	0.18%
DCT Gdansk	2.46%	0.17%
Powerco NZ	2.34%	0.16%
Freeport LNG	2.32%	0.16%
NT Airports	2.23%	0.16%
Phoenix Natural Gas	2.21%	0.15%
Thames Water	2.10%	0.15%
Sydney Desalination Plant	1.84%	0.13%
Southern Cross Station	1.51%	0.11%
ElectraNet	1.38%	0.10%
CLH	1.32%	0.09%
<b>Total of asset class</b>	<b>83.98%</b>	<b>5.88%</b>

#### Infrastructure country allocation

- Australia 71.60%
- United Kingdom 13.58%
- United States 4.05%
- New Zealand 3.10%
- Poland 2.46%
- Spain 2.14%
- Luxembourg 1.27%
- France 1.02%
- Germany 0.40%
- Italy 0.38%



These holdings are based on the aggregate positions of CareSuper's investment managers. Infrastructure excludes cash and futures.

Percentages may not sum to totals shown due to rounding. The figures are subject to change or revision at any time and CareSuper accepts no responsibility for omissions or errors. For more information on CareSuper's investment managers go to [caresuper.com.au/investmentmanagers](http://caresuper.com.au/investmentmanagers).



## Fixed interest asset class holdings as at 30 June 2014

Country	% of asset class
Australia	65.68%
United States	9.12%
Mexico	3.37%
Italy	2.98%
United Kingdom	2.47%
Poland	1.63%
Germany	1.63%
South Korea	1.62%
Supranational	1.61%
Others	1.26%
Brazil	1.16%
South Africa	1.04%
Holdings under 1%	6.45%
<b>Total</b>	<b>100.00%</b>

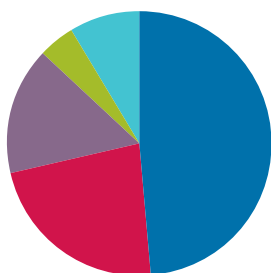
## Top Fund holdings

Holding	Asset class	% of Fund
BHP Billiton Ltd	Australian Equities	2.04%
Commonwealth Bank Of Australia	Australian Equities	1.99%
Westpac Banking Corporation	Australian Equities	1.71%
Australia And New Zealand Banking Group	Australian Equities	1.62%
National Australia Bank	Australian Equities	1.45%
Telstra Corporation Ltd	Australian Equities	1.13%
Melbourne Airport	Infrastructure	0.97%
Woolworths Ltd	Australian Equities	0.82%
Woodside Petroleum Ltd	Australian Equities	0.70%
Wesfarmers Ltd	Australian Equities	0.69%
<b>Percentage of Fund holdings</b>		<b>13.12%</b>

Fund holdings by security exclude cash and derivatives.

## Total CareSuper fixed interest portfolio

- Government debt 48.78%
- Credit 22.73%
- Non-Government debt 15.56%
- Mortgage debt 4.34%
- Other 0.10%
- Cash\* 8.49%



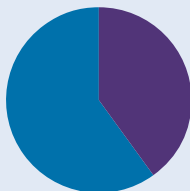
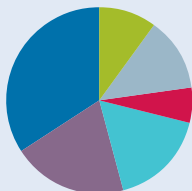
\* International fixed interest investments are fully hedged.

These holdings are based on the aggregate positions of CareSuper's investment managers.

Percentages may not sum to totals shown due to rounding. The figures are subject to change or revision at any time and CareSuper accepts no responsibility for omissions or errors. For more information on CareSuper's investment managers go to [caresuper.com.au/investmentmanagers](http://caresuper.com.au/investmentmanagers).

# Investment options as at 30 June 2014

## Managed options

Capital Guaranteed*			Capital Stable																																		
Investment objectives	<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the Consumer Price Index [CPI]) by at least 1% per year over rolling 12-month periods.</li><li>Over shorter periods, ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds. To achieve positive returns after tax and fees in all financial years.</li></ul>		<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 2% per year over rolling 5-year periods.</li><li>Over shorter periods, ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.</li></ul>																																		
Asset classes	<div></div> <div><table><thead><tr><th></th><th>Benchmark at 30/06/2014 %</th><th>Range %</th></tr></thead><tbody><tr><td>Fixed interest</td><td>40</td><td>0–50</td></tr><tr><td>Cash</td><td>60</td><td>50–100</td></tr></tbody></table></div>			Benchmark at 30/06/2014 %	Range %	Fixed interest	40	0–50	Cash	60	50–100	<div></div> <div><table><thead><tr><th></th><th>Benchmark at 30/06/2014 %</th><th>Range %</th></tr></thead><tbody><tr><td>Australian shares</td><td>10</td><td>0–25</td></tr><tr><td>Overseas shares</td><td>14</td><td>0–25</td></tr><tr><td>Property</td><td>6</td><td>0–15</td></tr><tr><td>Alternatives</td><td>12</td><td>0–35</td></tr><tr><td>Fixed interest</td><td>20</td><td>0–50</td></tr><tr><td>Cash</td><td>38</td><td>10–70</td></tr></tbody></table></div>				Benchmark at 30/06/2014 %	Range %	Australian shares	10	0–25	Overseas shares	14	0–25	Property	6	0–15	Alternatives	12	0–35	Fixed interest	20	0–50	Cash	38	10–70		
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Fixed interest	40	0–50																																			
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Alternatives	12	0–35																																			
Fixed interest	20	0–50																																			
Cash	38	10–70																																			
Risk level	Very low		Low to medium																																		
Returns history	<table><tbody><tr><td>3-year</td><td>1.64% p.a.</td></tr><tr><td>5-year</td><td>2.18% p.a.</td></tr><tr><td>10-year</td><td>3.90% p.a.</td></tr></tbody></table> <p>These returns are calculated <b>after</b> investment fees and taxes.</p>		3-year	1.64% p.a.	5-year	2.18% p.a.	10-year	3.90% p.a.	<table><tbody><tr><td>3-year</td><td>7.86% p.a.</td></tr><tr><td>5-year</td><td>8.07% p.a.</td></tr><tr><td>10-year</td><td>6.60% p.a.</td></tr></tbody></table> <p>These returns are calculated <b>after</b> investment fees and taxes.</p>			3-year	7.86% p.a.	5-year	8.07% p.a.	10-year	6.60% p.a.																				
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Investment costs	<table><tbody><tr><td colspan="2">Direct manager costs</td></tr><tr><td>Base</td><td>0.91%</td></tr><tr><td>Performance</td><td>0.00%</td></tr><tr><td colspan="2">Underlying manager costs</td></tr><tr><td>Base</td><td>0.00%</td></tr><tr><td>Performance</td><td>0.00%</td></tr><tr><td>Other costs*</td><td>0.04%</td></tr><tr><td>Total</td><td>0.95%</td></tr></tbody></table>		Direct manager costs		Base	0.91%	Performance	0.00%	Underlying manager costs		Base	0.00%	Performance	0.00%	Other costs*	0.04%	Total	0.95%	<table><tbody><tr><td colspan="2">Direct manager costs</td></tr><tr><td>Base</td><td>0.31%</td></tr><tr><td>Performance</td><td>0.06%</td></tr><tr><td colspan="2">Underlying manager costs</td></tr><tr><td>Base</td><td>0.00%</td></tr><tr><td>Performance</td><td>0.00%</td></tr><tr><td>Other costs*</td><td>0.06%</td></tr><tr><td>Total</td><td>0.43%</td></tr></tbody></table>			Direct manager costs		Base	0.31%	Performance	0.06%	Underlying manager costs		Base	0.00%	Performance	0.00%	Other costs*	0.06%	Total	0.43%
Direct manager costs																																					
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Base	0.00%																																				
Performance	0.00%																																				
Other costs*	0.06%																																				
Total	0.43%																																				

\* Relates to custody, asset consultant, and internal costs incurred by the fund such as legal and tax costs.

<sup>#</sup> Special note: It is the Trustees' intention that this option will be invested in the AMP Guaranteed Savings Account, managed by AMP Life Limited (AMP). AMP guarantees that contributions and their accumulated returns will not be reduced by negative investment returns. The asset allocation is determined by AMP. From time to time, funds may be invested in the term deposits of Authorised Deposit Taking Institutions. For liquidity purposes, the Trustee may hold a small allocation in cash.

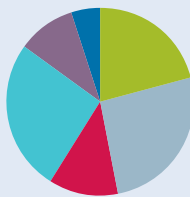
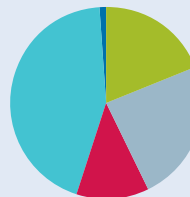
Note: past performance is not a guarantee of future performance. Returns have been rounded to two decimal places.



Conservative Balanced			Balanced (default)		
<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 2.5% per year over rolling 5-year periods.</li><li>Over shorter periods, ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.</li></ul>			<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year over rolling 5-year periods.</li><li>Over shorter periods, ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.</li></ul>		
	<b>Benchmark at 30/06/2014 %</b>	<b>Range %</b>		<b>Benchmark at 30/06/2014 %</b>	<b>Range %</b>
Australian shares	16	5–30	Australian shares	22	10–40
Overseas shares	21	5–30	Overseas shares	28	10–40
Property	7	0–15	Property	12	0–25
Alternatives	13	0–45	Alternatives	23	0–55
Fixed interest	15	0–50	Fixed interest	10	5–35
Cash	28	10–60	Cash	5	0–30
Medium			Medium to high		
3-year	8.86% p.a.		3-year	10.19% p.a.	
5-year	8.88% p.a.		5-year	9.93% p.a.	
10-year	NA		10-year	7.73% p.a.	
These returns are calculated <b>after</b> investment fees and taxes.			These returns are calculated <b>after</b> investment fees and taxes.		
<b>Direct manager costs</b>			<b>Direct manager costs</b>		
Base	0.35%		Base	0.54%	
Performance	0.07%		Performance	0.17%	
<b>Underlying manager costs</b>			<b>Underlying manager costs</b>		
Base	0.00%		Base	0.09%	
Performance	0.00%		Performance	0.06%	
<b>Other costs*</b>	0.06%		<b>Other costs*</b>	0.06%	
<b>Total</b>	<b>0.48%</b>		<b>Total</b>	<b>0.92%</b>	

# Investment options as at 30 June 2014 continued

## Managed options (continued)

Sustainable Balanced			Alternative Growth																																									
Investment objectives	<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year over rolling 5-year periods.</li><li>Within the Australian and overseas shares asset classes, to favour industries and companies that are expected to achieve sound investment returns, maintain good social and/or environmental records and have a sustainable future.</li></ul>		<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year over rolling 5-year periods.</li><li>Over the long term, to produce a less volatile return profile than the Growth option by investing a significant component of the portfolio in alternative investments.</li></ul>																																									
Asset classes	 <table><thead><tr><th></th><th>Benchmark at 30/06/2014 %</th><th>Range %</th></tr></thead><tbody><tr><td>Australian shares</td><td>22</td><td>10–40</td></tr><tr><td>Overseas shares</td><td>28</td><td>10–40</td></tr><tr><td>Property</td><td>12</td><td>0–25</td></tr><tr><td>Alternatives</td><td>23</td><td>0–55</td></tr><tr><td>Fixed interest</td><td>10</td><td>5–35</td></tr><tr><td>Cash</td><td>5</td><td>0–30</td></tr></tbody></table>			Benchmark at 30/06/2014 %	Range %	Australian shares	22	10–40	Overseas shares	28	10–40	Property	12	0–25	Alternatives	23	0–55	Fixed interest	10	5–35	Cash	5	0–30	 <table><thead><tr><th></th><th>Benchmark at 30/06/2014 %</th><th>Range %</th></tr></thead><tbody><tr><td>Australian shares</td><td>20</td><td>10–40</td></tr><tr><td>Overseas shares</td><td>26</td><td>10–40</td></tr><tr><td>Property</td><td>12</td><td>0–25</td></tr><tr><td>Alternatives</td><td>41</td><td>10–85</td></tr><tr><td>Cash</td><td>1</td><td>0–20</td></tr></tbody></table>				Benchmark at 30/06/2014 %	Range %	Australian shares	20	10–40	Overseas shares	26	10–40	Property	12	0–25	Alternatives	41	10–85	Cash	1	0–20
	Benchmark at 30/06/2014 %	Range %																																										
Australian shares	22	10–40																																										
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Cash	5	0–30																																										
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Property	12	0–25																																										
Alternatives	41	10–85																																										
Cash	1	0–20																																										
Risk level	Medium to high		Medium to high																																									
Returns history	3-year 10.05% p.a. 5-year 9.71% p.a. 10-year 6.90% p.a. These returns are calculated <b>after</b> investment fees and taxes.		3-year 10.29% p.a. 5-year 10.27% p.a. 10-year NA These returns are calculated <b>after</b> investment fees and taxes.																																									
Investment costs	Direct manager costs Base 0.75% Performance 0.13% Underlying manager costs Base 0.08% Performance 0.05% Other costs* 0.05% Total 1.06%		Direct manager costs Base 0.59% Performance 0.17% Underlying manager costs Base 0.00% Performance 0.00% Other costs* 0.07% Total 0.83%																																									

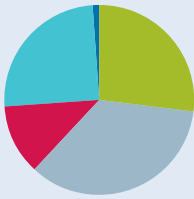
\* Relates to custody, asset consultant, and internal costs incurred by the fund such as legal and tax costs.

Note: past performance is not a guarantee of future performance. Returns have been rounded to two decimal places.



## Growth

- To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year over rolling 5-year periods.
- Over shorter periods, ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.



Benchmark at  
30/06/2014 %

Range %

Australian shares	28	15–50
Overseas shares	37	15–50
Property	12	0–25
Alternatives	22	0–70
Cash	1	0–20

## High

3-year	11.39% p.a.
5-year	10.89% p.a.
10-year	7.98% p.a.

These returns are calculated **after** investment fees and taxes.

### Direct manager costs

Base	0.57%
Performance	0.17%

### Underlying manager costs

Base	0.07%
Performance	0.05%

Other costs\* 0.06%

Total 0.92%



## Did you know?

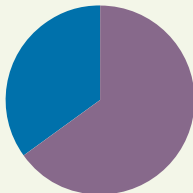
You can access financial advice about selecting an investment strategy that suits your objectives, at no extra cost, by calling 1300 360 149.

You can choose one or any combination of CareSuper's Managed and Asset Class investment options. The seven Managed options, detailed here, have a mix of investments predetermined by CareSuper.

# Investment options as at 30 June 2014 continued

You can choose any one or a combination of the Asset Class options below or integrate with Managed options.

## Asset class options

	Capital Secure	Fixed Interest	Direct Property^																																																
Investment objectives	<ul style="list-style-type: none"><li>To achieve returns after tax and fees at least in line with the inflation rate (as measured by the CPI) over rolling 5-year periods.</li><li>Over shorter periods, to outperform the return of the Australian cash market (as measured by the UBS Bank Bill Index).</li></ul>	<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 2% per year over rolling 5-year periods.</li><li>Over shorter periods, to outperform the return of a mix of the Australian and overseas bond markets (as measured by a benchmark consisting of the UBS Composite Bond Index and the Barclays Capital Global Aggregate Index [hedged]).</li></ul>	<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year over rolling 5-year periods.</li><li>Over shorter periods, to outperform the return of the Australian direct property market (as measured by the Mercer Australian Unlisted Property Index [pre-tax]).</li></ul>																																																
Asset classes	100% Cash or short-term money market instruments	<div><p><b>Benchmark at 30/06/2014 % Range %</b></p><table><tr><td>Fixed Interest</td><td>65</td><td>50–100</td></tr><tr><td>Cash</td><td>35</td><td>0–50</td></tr></table></div>	Fixed Interest	65	50–100	Cash	35	0–50	100% Direct Property																																										
Fixed Interest	65	50–100																																																	
Cash	35	0–50																																																	
Risk level	Very low	Low	Medium to high																																																
Returns history	<table><tr><td>3-year</td><td>3.47% p.a.</td></tr><tr><td>5-year</td><td>3.86% p.a.</td></tr><tr><td>10-year</td><td>4.21% p.a.</td></tr></table> <p>These returns are calculated <b>after</b> investment fees and taxes.</p>	3-year	3.47% p.a.	5-year	3.86% p.a.	10-year	4.21% p.a.	<table><tr><td>3-year</td><td>7.41% p.a.</td></tr><tr><td>5-year</td><td>8.03% p.a.</td></tr><tr><td>10-year</td><td>6.49% p.a.</td></tr></table> <p>These returns are calculated <b>after</b> investment fees and taxes.</p>	3-year	7.41% p.a.	5-year	8.03% p.a.	10-year	6.49% p.a.	<table><tr><td>3-year</td><td>7.28% p.a.</td></tr><tr><td>5-year</td><td>6.94% p.a.</td></tr><tr><td>10-year</td><td>6.91% p.a.</td></tr></table> <p>These returns are calculated <b>after</b> investment fees and taxes.</p>	3-year	7.28% p.a.	5-year	6.94% p.a.	10-year	6.91% p.a.																														
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Investment costs	<table><tr><td colspan="2">Direct manager costs</td></tr><tr><td>Base</td><td>0.03%</td></tr><tr><td>Performance</td><td>0.00%</td></tr><tr><td colspan="2">Underlying manager costs</td></tr><tr><td>Base</td><td>0.00%</td></tr><tr><td>Performance</td><td>0.00%</td></tr><tr><td>Other costs*</td><td>0.04%</td></tr><tr><td>Total</td><td>0.07%</td></tr></table>	Direct manager costs		Base	0.03%	Performance	0.00%	Underlying manager costs		Base	0.00%	Performance	0.00%	Other costs*	0.04%	Total	0.07%	<table><tr><td colspan="2">Direct manager costs</td></tr><tr><td>Base</td><td>0.18%</td></tr><tr><td>Performance</td><td>0.00%</td></tr><tr><td colspan="2">Underlying manager costs</td></tr><tr><td>Base</td><td>0.00%</td></tr><tr><td>Performance</td><td>0.00%</td></tr><tr><td>Other costs*</td><td>0.06%</td></tr><tr><td>Total</td><td>0.24%</td></tr></table>	Direct manager costs		Base	0.18%	Performance	0.00%	Underlying manager costs		Base	0.00%	Performance	0.00%	Other costs*	0.06%	Total	0.24%	<table><tr><td colspan="2">Direct manager costs</td></tr><tr><td>Base</td><td>0.61%</td></tr><tr><td>Performance</td><td>0.00%</td></tr><tr><td colspan="2">Underlying manager costs</td></tr><tr><td>Base</td><td>0.00%</td></tr><tr><td>Performance</td><td>0.00%</td></tr><tr><td>Other costs*</td><td>0.05%</td></tr><tr><td>Total</td><td>0.66%</td></tr></table>	Direct manager costs		Base	0.61%	Performance	0.00%	Underlying manager costs		Base	0.00%	Performance	0.00%	Other costs*	0.05%	Total	0.66%
Direct manager costs																																																			
Base	0.03%																																																		
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Other costs*	0.05%																																																		
Total	0.66%																																																		

\* Relates to custody, asset consultant, and internal costs incurred by the fund such as legal and tax costs.

<sup>^</sup> For liquidity purposes, these options may hold up to 10% in cash.

Note: past performance is not a guarantee of future performance. Returns have been rounded to two decimal places.



Australian Shares ^		Overseas Shares ^	
<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 5% per year over rolling 5-year periods.</li><li>Over shorter periods, to outperform the return of the Australian share market as measured by the S&amp;P/ASX 300 Accumulation Index).</li></ul>		<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 5% per year over rolling 5-year periods.</li><li>Over shorter periods, to outperform the return of the overseas share market (as measured by the MSCI World ex-Australia Index in \$A).</li></ul>	
100% Australian Shares		100% Overseas Shares	
Very high		Very high	
3-year	10.40% p.a.	3-year	14.74% p.a.
5-year	10.90% p.a.	5-year	12.33% p.a.
10-year	9.24% p.a.	10-year	6.22% p.a.
These returns are calculated <b>after</b> investment fees and taxes.		These returns are calculated <b>after</b> investment fees and taxes.	
<b>Direct manager costs</b>		<b>Direct manager costs</b>	
Base	0.29%	Base	0.56%
Performance	0.07%	Performance	0.06%
<b>Underlying manager costs</b>		<b>Underlying manager costs</b>	
Base	0.00%	Base	0.00%
Performance	0.00%	Performance	0.00%
<b>Other costs*</b>	0.04%	<b>Other costs*</b>	0.07%
<b>Total</b>	<b>0.40%</b>	<b>Total</b>	<b>0.69%</b>

### Direct Investment option


CareSuper's Direct Investment option allows members to invest a proportion of their super in their choice of:

- The securities that form part of the S&P/ASX 300 Index
- A range of exchange-traded funds
- A range of listed investment companies (LICs)
- A range of term deposits.

With a wide variety of available investments, sophisticated online access and up-to-date market information, the Direct Investment option gives you the flexibility to become more actively involved in managing your super.

The Direct Investment option is suitable for members who are comfortable taking an active role managing their super investment.

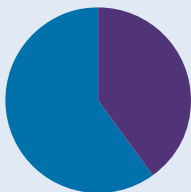
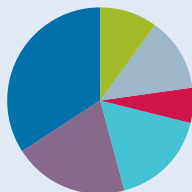
For more information visit [caresuper.com.au/Dloption](https://caresuper.com.au/Dloption).



Refer to the CareSuper Investment Guide for more information on all of the investment options.

# Pension investment options as at 30 June 2014

## Managed options

Capital Guaranteed <sup>#</sup>			Capital Stable																																
Investment objectives	<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the Consumer Price Index [CPI]) by at least 1% per year over rolling 12-month periods.</li><li>Over shorter periods, ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds. To achieve positive returns after tax and fees in all financial years.</li></ul>		<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 2% per year over rolling 5-year periods.</li><li>Over shorter periods, ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.</li></ul>																																
Asset classes	<div></div> <div><table><thead><tr><th></th><th>Benchmark at 30/06/2014 %</th><th>Range %</th></tr></thead><tbody><tr><td>Fixed interest</td><td>40</td><td>0–50</td></tr><tr><td>Cash</td><td>60</td><td>50–100</td></tr></tbody></table></div>			Benchmark at 30/06/2014 %	Range %	Fixed interest	40	0–50	Cash	60	50–100	<div></div> <div><table><thead><tr><th></th><th>Benchmark at 30/06/2014 %</th><th>Range %</th></tr></thead><tbody><tr><td>Australian shares</td><td>10</td><td>0–25</td></tr><tr><td>Overseas shares</td><td>14</td><td>0–25</td></tr><tr><td>Property</td><td>6</td><td>0–15</td></tr><tr><td>Alternatives</td><td>12</td><td>0–35</td></tr><tr><td>Fixed interest</td><td>20</td><td>0–50</td></tr><tr><td>Cash</td><td>38</td><td>10–70</td></tr></tbody></table></div>				Benchmark at 30/06/2014 %	Range %	Australian shares	10	0–25	Overseas shares	14	0–25	Property	6	0–15	Alternatives	12	0–35	Fixed interest	20	0–50	Cash	38	10–70
	Benchmark at 30/06/2014 %	Range %																																	
Fixed interest	40	0–50																																	
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Fixed interest	20	0–50																																	
Cash	38	10–70																																	
Risk level	Very low		Low to medium																																
Returns history	3-year 1.72% p.a. 5-year 2.25% p.a. These returns are calculated <b>after</b> investment fees and taxes (if applicable).		3-year 8.79% p.a. 5-year 9.19% p.a. These returns are calculated <b>after</b> investment fees and taxes (if applicable).																																
Investment costs	Direct manager costs Base 0.91% Performance 0.00% Underlying manager costs Base 0.00% Performance 0.00% Other costs* 0.04% Total 0.95%		Direct manager costs Base 0.30% Performance 0.05% Underlying manager costs Base 0.00% Performance 0.00% Other costs* 0.06% Total 0.41%																																

\* Relates to custody, asset consultant, and internal costs incurred by the fund such as legal and tax costs.

<sup>#</sup> Special note: It is the Trustees' intention that this option will be invested in the AMP Guaranteed Savings Account, managed by AMP Life Limited (AMP). AMP guarantees that contributions and their accumulated returns will not be reduced by negative investment returns. The asset allocation is determined by AMP. From time to time, funds may be invested in the term deposits of Authorised Deposit Taking Institutions. For liquidity purposes, the Trustee may hold a small allocation in cash.

Note: past performance is not a guarantee of future performance. Returns have been rounded to two decimal places.

Differences in ICRs for super and pension investment options are due to slight variances in asset class allocation over the financial year.

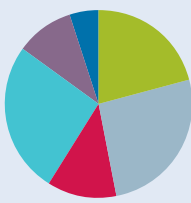
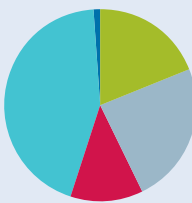




Conservative Balanced			Balanced (default)		
<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 2.5% per year over rolling 5-year periods.</li><li>Over shorter periods, ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.</li></ul>			<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year over rolling 5-year periods.</li><li>Over shorter periods, ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.</li></ul>		
	<b>Benchmark at 30/06/2014 %</b>	<b>Range %</b>		<b>Benchmark at 30/06/2014 %</b>	<b>Range %</b>
Australian shares	16	5–30	Australian shares	22	10–40
Overseas shares	21	5–30	Overseas shares	28	10–40
Property	7	0–15	Property	12	0–25
Alternatives	13	0–45	Alternatives	23	0–55
Fixed interest	15	0–50	Fixed interest	10	5–35
Cash	28	10–60	Cash	5	0–30
Medium			Medium to high		
3-year	10.04% p.a.		3-year	11.47% p.a.	
5-year	10.18% p.a.		5-year	11.50% p.a.	
These returns are calculated <b>after</b> investment fees and taxes (if applicable).			These returns are calculated <b>after</b> investment fees and taxes (if applicable).		
<b>Direct manager costs</b>			<b>Direct manager costs</b>		
Base	0.35%		Base	0.51%	
Performance	0.07%		Performance	0.16%	
<b>Underlying manager costs</b>			<b>Underlying manager costs</b>		
Base	0.00%		Base	0.08%	
Performance	0.00%		Performance	0.05%	
<b>Other costs*</b>	0.06%		<b>Other costs*</b>	0.06%	
<b>Total</b>	<b>0.48%</b>		<b>Total</b>	<b>0.86%</b>	

# Pension investment options as at 30 June 2014 continued

## Managed options (continued)

Sustainable Balanced			Alternative Growth																																									
Investment objectives	<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year over rolling 5-year periods.</li><li>Within the Australian and overseas shares asset classes, to favour industries and companies that are expected to achieve sound investment returns, maintain good social and/or environmental records and have a sustainable future.</li></ul>		<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year over rolling 5-year periods.</li><li>Over the long term, to produce a less volatile return profile than the Growth option by investing a significant component of the portfolio in alternative investments.</li></ul>																																									
Asset classes	 <table><thead><tr><th></th><th>Benchmark at 30/06/2014 %</th><th>Range %</th></tr></thead><tbody><tr><td>Australian shares</td><td>22</td><td>10–40</td></tr><tr><td>Overseas shares</td><td>28</td><td>10–40</td></tr><tr><td>Property</td><td>12</td><td>0–25</td></tr><tr><td>Alternatives</td><td>23</td><td>0–55</td></tr><tr><td>Fixed interest</td><td>10</td><td>5–35</td></tr><tr><td>Cash</td><td>5</td><td>0–30</td></tr></tbody></table>			Benchmark at 30/06/2014 %	Range %	Australian shares	22	10–40	Overseas shares	28	10–40	Property	12	0–25	Alternatives	23	0–55	Fixed interest	10	5–35	Cash	5	0–30	 <table><thead><tr><th></th><th>Benchmark at 30/06/2014 %</th><th>Range %</th></tr></thead><tbody><tr><td>Australian shares</td><td>20</td><td>10–40</td></tr><tr><td>Overseas shares</td><td>26</td><td>10–40</td></tr><tr><td>Property</td><td>12</td><td>0–25</td></tr><tr><td>Alternatives</td><td>41</td><td>10–85</td></tr><tr><td>Cash</td><td>1</td><td>0–20</td></tr></tbody></table>				Benchmark at 30/06/2014 %	Range %	Australian shares	20	10–40	Overseas shares	26	10–40	Property	12	0–25	Alternatives	41	10–85	Cash	1	0–20
	Benchmark at 30/06/2014 %	Range %																																										
Australian shares	22	10–40																																										
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Cash	1	0–20																																										
Risk level	Medium to high		Medium to high																																									
Returns history	3-year 11.58% p.a. 5-year 11.29% p.a. These returns are calculated <b>after</b> investment fees and taxes (if applicable).		3-year 11.10% p.a. 5-year 11.48% p.a. These returns are calculated <b>after</b> investment fees and taxes (if applicable).																																									
Investment costs	Direct manager costs Base 0.73% Performance 0.13% Underlying manager costs Base 0.08% Performance 0.05% Other costs* 0.05% Total 1.04%		Direct manager costs Base 0.58% Performance 0.17% Underlying manager costs Base 0.00% Performance 0.00% Other costs* 0.07% Total 0.82%																																									

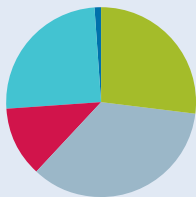
\* Relates to custody, asset consultant, and internal costs incurred by the fund such as legal and tax costs.

Note: past performance is not a guarantee of future performance. Returns have been rounded to two decimal places.

Differences in ICRs for super and pension investment options are due to slight variances in asset class allocation over the financial year.

## Growth

- To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year over rolling 5-year periods.
- Over shorter periods, ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.



Benchmark at  
30/06/2014 %

Range %

Australian shares	28	15–50
Overseas shares	37	15–50
Property	12	0–25
Alternatives	22	0–70
Cash	1	0–20

## High

3-year	12.66% p.a.
5-year	12.33% p.a.

These returns are calculated **after** investment fees and taxes (if applicable).

<b>Direct manager costs</b>	
Base	0.56%
Performance	0.17%
<b>Underlying manager costs</b>	
Base	0.07%
Performance	0.05%
<b>Other costs*</b>	0.06%
<b>Total</b>	<b>0.91%</b>



## Did you know?

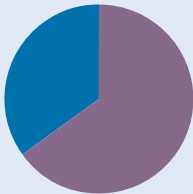
You can access financial advice about selecting an investment strategy that suits your objectives, at no extra cost, by calling 1300 664 781.

You can choose one or any combination of CareSuper's Managed and Asset Class investment options. The seven Managed options, detailed here, have a mix of investments predetermined by CareSuper.

# Pension investment options as at 30 June 2014 continued

You can choose any one or a combination of the Asset Class options below or integrate with Managed options.

## Asset class options

Capital Secure			Fixed Interest		Direct Property <sup>^</sup>							
Investment objectives	<ul style="list-style-type: none"><li>To achieve returns after tax and fees at least in line with the inflation rate (as measured by the CPI) over rolling 5-year periods.</li><li>Over shorter periods, to outperform the return of the Australian cash market (as measured by the UBS Bank Bill Index).</li></ul>		<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 2% per year over rolling 5-year periods.</li><li>Over shorter periods, to outperform the return of a mix of the Australian and overseas bond markets (as measured by a benchmark consisting of the UBS Composite Bond Index and the Barclays Capital Global Aggregate Index [hedged]).</li></ul>		<ul style="list-style-type: none"><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year over rolling 5-year periods.</li><li>Over shorter periods, to outperform the return of the Australian direct property market (as measured by the Mercer Australian Unlisted Property Index [pre-tax]).</li></ul>							
Asset classes	100% Cash or short-term money market instruments		<div><p><b>Benchmark at 30/06/2014 % Range %</b></p><table><tr><td>Fixed Interest</td><td>65</td><td>50–100</td></tr><tr><td>Cash</td><td>35</td><td>0–50</td></tr></table></div>		Fixed Interest	65	50–100	Cash	35	0–50	100% Direct Property	
Fixed Interest	65	50–100										
Cash	35	0–50										
Risk level	Very low		Low		Medium to high							
Returns history	3-year 5-year These returns are calculated <b>after</b> investment fees and taxes (if applicable).	4.15% p.a. 4.57% p.a.	3-year 5-year These returns are calculated <b>after</b> investment fees and taxes (if applicable).	8.46% p.a. 9.24% p.a.	3-year 5-year These returns are calculated <b>after</b> investment fees and taxes (if applicable).	8.33% p.a. 7.95% p.a.						
Investment costs	Direct manager costs Base Performance Underlying manager costs Base Performance Other costs* Total	 0.03% 0.00%  0.00% 0.00% 0.04% 0.07%	Direct manager costs Base Performance Underlying manager costs Base Performance Other costs* Total	 0.18% 0.00%  0.00% 0.00% 0.06% 0.24%	Direct manager costs Base Performance Underlying manager costs Base Performance Other costs* Total	 0.61% 0.00%  0.00% 0.00% 0.05% 0.66%						

\* Relates to custody, asset consultant, and internal costs incurred by the fund such as legal and tax costs.

<sup>^</sup> For liquidity purposes, these options may hold up to 10% in cash.

Note: past performance is not a guarantee of future performance. Returns have been rounded to two decimal places.

Differences in ICRs for super and pension investment options are due to slight variances in asset class allocation over the financial year.

Australian Shares <sup>^</sup>		Overseas Shares <sup>^</sup>	
<ul style="list-style-type: none"> <li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 5% per year over rolling 5-year periods.</li> <li>Over shorter periods, to outperform the return of the Australian share market as measured by the S&amp;P/ASX 300 Accumulation Index).</li> </ul>		<ul style="list-style-type: none"> <li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 5% per year over rolling 5-year periods.</li> <li>Over shorter periods, to outperform the return of the overseas share market (as measured by the MSCI World ex-Australia Index in \$A).</li> </ul>	
100% Australian Shares		100% Overseas Shares	
Very high		Very high	
3-year	11.89% p.a.	3-year	16.76% p.a.
5-year	12.45% p.a.	5-year	14.09% p.a.
These returns are calculated <b>after</b> investment fees and taxes (if applicable).		These returns are calculated <b>after</b> investment fees and taxes (if applicable).	
<b>Direct manager costs</b>		<b>Direct manager costs</b>	
Base	0.29%	Base	0.56%
Performance	0.07%	Performance	0.06%
<b>Underlying manager costs</b>		<b>Underlying manager costs</b>	
Base	0.00%	Base	0.00%
Performance	0.00%	Performance	0.00%
<b>Other costs*</b>	0.04%	<b>Other costs*</b>	0.07%
<b>Total</b>	<b>0.40%</b>	<b>Total</b>	<b>0.69%</b>

## Direct Investment option

CareSuper's Direct Investment option allows members to invest a proportion of their super in their choice of:

- The securities that form part of the S&P/ASX 300 Index
- A range of exchange-traded funds
- A range of listed investment companies (LICs)
- A range of term deposits.

With a wide variety of available investments, sophisticated online access and up to date market information, the Direct Investment option gives you the flexibility to become more actively involved in managing your pension.

The Direct Investment option is suitable for members who are comfortable taking an active role managing their pension investment.

For more information visit [caresuper.com.au/PensionDloption](https://caresuper.com.au/PensionDloption).



Refer to the CareSuper Pension Guide for more information on all of our investment options.



# Managing investments

## CareSuper's Investment Policy

It is the responsibility of the Board to develop the investment policy and ensure the Trustee adheres to its principles, philosophy and guidelines.

There are several sub-policies covering the investment governance framework, investment fees, currency, proxy voting and asset valuation. Each of these policies is reviewed on a regular basis.

CareSuper's assets are managed according to the investment strategy for each investment option that has stated asset allocation benchmarks or, in the case of the Managed options, an asset allocation range. The Trustee has developed an investment strategy after taking into consideration the Fund's overall circumstances, reviewing membership demographics, current market conditions and all applicable legislation.

The Trustee has given consideration to the following investment objectives in establishing an investment strategy:

- Produce real capital growth and income over time
- Manage investments with a defensive strategy
- Produce less volatile returns relative to peers
- Provide competitive returns
- Provide commensurate return for risk
- Manage liquidity
- Responsible investing, including the consideration of environmental, social and corporate governance issues
- Tax-effectiveness, and
- Costs.

The Trustee's philosophy is to actively manage investments for the long term with an aim of producing competitive returns while minimising risk when markets are volatile.

The Trustee selects and appoints professional investment managers to invest members' assets consistent with the investment options.

Within most asset classes, the Trustee has diversified the management of investments between several investment managers (and varying investment styles) with the aim of moderating the volatility in the overall return of the asset class. The Trustee does not manage any investments internally, with the exception of term deposits and the cash flow required for day-to-day operations. Licensed investment consultants advise on all investment matters including the selection of investment managers whose investment objectives must be consistent with those of the Fund.

Constraints applied to the managers are consistent with the objectives and philosophy of the Trustee.

## Managing benchmark risk

Benchmark risk is the potential for the returns of an option to differ significantly from the returns of the benchmark against which it is measured. As the value of assets in each option will vary depending on market conditions, asset allocation may vary from the benchmark.

## Managing currency risk

As a matter of policy, the Trustee seeks to eliminate currency risk in international investments, except overseas shares, where exposure to currency movements is held within a pre-set range. The Trustee reserves the right to alter the Fund's currency exposure if this is considered in the interests of CareSuper members.

## Rebalancing

The asset allocation of each Managed option is reviewed weekly and rebalanced when outside pre-determined tolerance limits.

Asset allocation(s) will remain within the specified range(s), see pages 32–43.



## Use of derivatives

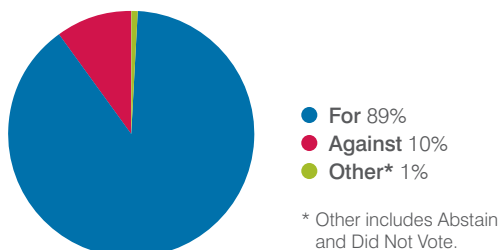
Investment managers may use futures, options and other derivative instruments to enhance returns or manage risk. However, these instruments may not be used to leverage the portfolio or to cause the overall exposure to any asset class or combination of classes to breach the long-term strategic ranges.

Each year the Trustee seeks a statement from each investment manager on the use of derivatives within its portfolio.

## Voting

Voting is a tool that shareholders, as owners of a company, can use to exert influence or send a signal to the board of a company. CareSuper considers voting best practice and exercises its voting rights on behalf of members in the Australian equities portfolio. You can view CareSuper's voting history at [caresuper.com.au/voting](https://caresuper.com.au/voting).

### Overview of voting actions in 2013/14



# Managing investments

## continued

### Investments exceeding 5% of assets

At 30 June 2014 the following investment houses managed more than 5% of the Fund's assets: Schroder Investment Management Australia 13.0%; IFM Investors 12.2%; Colonial First State 7.5%; MFS Investment Management 6.6%; Perennial Investment Management 6.6%.

### Unit pricing

CareSuper uses unit prices to calculate and report members' superannuation balances and apply investment returns. Every CareSuper member's account balance information includes the number of units they own, as well as the latest sell price. Each investment option has two prices: a buy price and a sell price. A buy price is the price applied when you invest in an investment option. For example, when your employer makes a contribution to your account you will be allocated units at the buy price. A sell price is the price applied when money is withdrawn from an investment option, including withdrawals from your account for investment switches and payments, direct fees, insurance premiums and tax deducted directly from your account. The sell price is used to calculate your account balance. To find out additional details about buy-sell spreads and how unit prices are calculated, please see the **Member Guide PDS** and **Investment Guide** available at [caresuper.com.au/PDS](http://caresuper.com.au/PDS).

### Managing unit pricing errors

In the event of a unit pricing error deemed material in nature, CareSuper aims to correct the financial position of current and former members by an amount that would bring their account balance to a position as if no error had occurred. In estimating an amount of compensation CareSuper will, where practical, use actual values. If these are not available estimates will be used.

### Investment strategy – reserves

CareSuper maintains a series of reserves designed to provide for known and potential commitments and contingencies. The Fund maintains three reserve accounts as follows:

- General reserve
- Group life reserve, and
- Operational risk reserve.

The reserves are considered to be the Fund's 'capital' and each account is invested in a strategy appropriate to the time frame and risk profile of that account reviewed annually by the Board. Each strategy is invested in existing asset classes held by the Fund and are maintained by the Fund's custodian.

CareSuper's reserves over the last 3 years:		% of fund net assets
2013/14	\$76,510,177	0.85%
2012/13*	\$70,228,001	0.91%
2011/12	\$47,238,248	0.97%

\* Figure amended following accounting adjustments.

# Fees

CareSuper is committed to charging fees only to cover costs, as we aim to maximise members' retirement savings.

We also believe in ensuring our fees are transparent and easy to understand. It is our policy to include underlying investment costs in fees disclosed to members, and we have always done so.

## Understanding fees and costs

Indirect investment costs cover the cost of investing the Fund's assets and include base and performance fees paid to investment managers, asset consultant fees, bank fees and custody costs. Performance fees may be paid to an investment manager whose fee is linked to performance and are paid when the manager's portfolio performs above an agreed benchmark. CareSuper has a number of managers whose fee is aligned to their performance, predominantly in the Australian shares, overseas shares and alternative asset classes. Where a performance fee is paid, a lower base fee applies.

These fees, known as the indirect cost ratio (ICR), are not taken directly from members' accounts, but deducted from investment earnings over the year and are reflected in the calculation of unit prices. These investment expenses change from time to time because of changes in managers, performance and/or other fees. Revisions to the ICR for an investment option will be available at [caresuper.com.au](http://caresuper.com.au).

## Contributions tax

Contributions tax is deducted from employer and salary sacrifice contributions after the deduction of the administration fee and insurance premiums.

## Estimated annual investment cost or Indirect Cost Ratio (ICR)

Investment costs are an ongoing focus for CareSuper and we are pleased to report a reduction in the ICRs from last year.

CareSuper has always sought to demonstrate best practice and transparency around disclosure of all costs, including those relating to investments. A significant component of the ICR relates to those manager costs which are incurred when a fund manager appointed by CareSuper in turn invests in a number of investment managers (referred to as fund of funds). This is an additional layer of costs that may not be disclosed by some super funds and is why CareSuper's ICR may appear higher than other funds. CareSuper considers full disclosure of these costs as best practice and expects that more funds report these fund of fund costs in the future.

The ICR varies according to the chosen investment option. These costs are not deducted directly from your account but deducted over the year from unit prices. Performance costs are deducted from unit prices as relevant investment manager performance objectives are met. You can view these costs for 2013/14 in the investment options section on pages 32–43.

In 2013/14 these underlying manager costs accounted for 0.15% of the super Balanced option's ICR. This predominantly relates to the private equity asset class which, after all costs, outperformed Australian and overseas shares with lower volatility over the long term.

### ➔ Find out more

For information on the fees and costs associated with your CareSuper account, see **Fees and other costs** at [caresuper.com.au/PDS](http://caresuper.com.au/PDS).

## The net benefit of a CareSuper account

It's difficult to calculate the long-term effect of **both returns and fees** on your super savings. The graph below demonstrates the difference CareSuper's combination of consistent long-term returns and competitive fees can make on a balance of \$50,000 over 10 years. The CareSuper Balanced option delivered **over \$27,000** more than the average retail super fund over the past 10 years.

Net benefit over 1, 5 and 10 years as at 30 June 2014



Disclaimer: Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a fund. Comparisons modelled by SuperRatings, commissioned by ISA Pty Ltd ABN 72 158 563 270 Corporate Authorised Representative No. 426006 of Industry Fund Services Ltd ABN 54 007 016 195 AFSL 232514. Modelled outcome assumes a starting balance of \$50,000 and initial salary of \$50,000 and shows 10 year average difference in net benefit of the main balanced options of CareSuper's Balanced option and 79 retail funds tracked by SuperRatings, with a 10 year performance history, taking into account historical earnings and fees – excluding contribution, entry, exit and additional advisor fees – of main balanced options. Outcomes vary between individual funds. Modelling as at 30 June 2014. Consider CareSuper's Product Disclosure Statement (PDS) and your personal financial situation, needs or objectives, which are not accounted for in this information, before making an investment decision.

# Financial statements

In order to maintain a healthy Fund, CareSuper's Trustees keep a close watch on investment performance and spending. The result is a financially fit Fund.

This financial summary is based on unaudited accounts and shows CareSuper's main financial transactions for the year ended 30 June 2014 and corresponding final audited figures to 30 June 2013.

## Statement of financial position as at 30 June 2014

	2014 \$'000	2013 \$'000
<b>Assets</b>		
<b>Cash and Cash Equivalents</b>		
Cash at Bank	58,027	73,415
Cash & Short term deposits	879,772	838,832
<b>Trade and Other Receivables</b>		
Contributions Receivable	17,697	20,447
<b>Investments</b>		
<b>Financial Assets</b>		
Capital Guaranteed	56,065	62,473
Australian Shares	2,197,429	1,855,528
Overseas Shares	2,347,608	1,946,488
Alternatives	1,749,354	1,468,737
Fixed Interest	839,121	788,421
Property	1,002,678	841,490
Derivatives	1,210,754	1,328,309
<b>Other Assets</b>		
Fixed Assets	1,224	1,763
Sundry Debtors	5	919
Capitalised Expenses	2,300	2,873
<b>Tax Assets</b>		
Deferred Tax Assets	1,332	14,310
<b>Total Assets</b>	<b>10,363,366</b>	<b>9,244,005</b>
<b>Liabilities</b>		
<b>Trade and Other Payables</b>		
Group Life Insurance Premium Payable	6,478	4,667
Provision for Employee Benefits	985	1,030
Benefits Payable	15,387	26,529
Accounts Payable	2,653	3,648
Sundry Creditors	11	14
GST Payable	979	98
<b>Investments – Financial Liabilities</b>		
Derivative Liabilities	1,188,022	1,412,066
<b>Tax Liabilities</b>		
Current Tax Liabilities	14,088	19,834
Deferred Tax Liabilities	99,147	31,811
<b>Total Liabilities</b>	<b>1,327,750</b>	<b>1,499,697</b>
<b>Net assets available to pay benefits</b>	<b>9,035,616</b>	<b>7,744,308</b>
Represented by:		
<b>Liability for Accrued Benefits</b>		
Allocated to members' accounts	8,959,106	7,673,980
Reserves	76,510	70,228
Regulatory Reserve	–	100
	<b>9,035,616</b>	<b>7,744,308</b>



### Audited accounts

A copy of the audited accounts is available (from the end of October 2014) at [caresuper.com.au](http://caresuper.com.au) or by calling the CareSuperLine on 1300 360 149.



## Operating statement for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
<b>Investment Revenue</b>		
Interest	35,827	33,475
Distributions	425,153	241,000
Other Investment Income	11,190	7,520
Changes in Net Market Value	600,951	758,030
	<b>1,073,121</b>	<b>1,040,025</b>
<b>Contributions Revenue</b>		
Employer Contributions	574,254	485,399
Member Contributions	126,154	78,241
Transfers In	349,049	1,944,267
	<b>1,049,457</b>	<b>2,507,907</b>
<b>Other Revenue</b>		
Proceeds from Group Life Policies	46,364	50,798
Other Income	436	239
<b>Total Revenue</b>	<b>2,169,378</b>	<b>3,598,969</b>
<b>Investment Expenses</b>		
Direct Investment Expenses	15,395	12,089
<b>Group Life Insurance Expenses</b>	<b>75,243</b>	<b>54,238</b>
<b>General Administration Expenses</b>		
Administrator Expenses	11,927	10,810
Auditors' Remuneration	273	152
Operating Expenses	21,564	32,420
Regulatory Levies	991	3,726
Anti-Detriment Payments	934	767
Superannuation Contribution Surcharge	17	(27)
<b>Total Expenses</b>	<b>126,344</b>	<b>114,175</b>
<b>Benefits Accrued Before Income Tax</b>	<b>2,043,034</b>	<b>3,484,794</b>
<b>Income Tax Expense/(Benefit)</b>	<b>153,144</b>	<b>115,488</b>
<b>Benefits Accrued After Income Tax</b>	<b>1,889,890</b>	<b>3,369,306</b>

# Getting help



## Enquiries and complaints

The Trustee has established procedures to deal fairly with enquiries and complaints from members, employers and beneficiaries.

Complaints can be received in a variety of ways – by telephone, email or letter. If you make an enquiry or complaint by telephone we will endeavour to answer it immediately. In some cases we may ask you to submit your complaint in writing so it can be investigated further and we will provide you with a written response.

The procedures to follow, time limits and other details are included in **Making enquiries and complaints** available at [caresuper.com.au/PDS](http://caresuper.com.au/PDS).

All complaints will be handled in a courteous and confidential manner.

## Low account balance policy

The accounts of members who are uncontactable or inactive and with a balance of less than \$200 will be transferred to the ATO in April and October each year.

Members who are uncontactable or inactive with an account balance of between \$200 and \$2000 will be transferred to the eligible rollover fund in

June and December each year and any insurance cover will cease. Contact details for CareSuper's eligible rollover fund are:

### AUSfund

PO Box 543  
Carlton South VIC 3053  
Phone: 1300 361 798  
Fax: 1300 366 233  
International Tel: +61 3 9814 6400  
International Fax: +61 8 8205 4990  
Email: [admin@ausfund.net.au](mailto:admin@ausfund.net.au)  
Website: [unclaimedsuper.com.au](http://unclaimedsuper.com.au)

## Temporary residents' benefits transferred to the ATO

CareSuper is required to pay the super of former temporary residents to the ATO if it has been more than 6 months since the former temporary resident employee departed Australia and their visa has expired or been cancelled. Visit [ato.gov.au](http://ato.gov.au) for more information.

The Trustee relies on relief from ASIC in that we are not obliged to notify or give an exit statement to a non-resident in the above circumstances. Information is available on request.

# Contact us

For more information about your super, you can reach us in the following ways:

## Super

*call*

CareSuperLine **1300 360 149**  
Monday to Friday 8am to 8pm AEST

*visit*

**caresuper.com.au**  
For online access to your super  
account visit **caresuper.com.au/login**

*email*

**admin@caresuper.com.au**

*write*

CareSuper  
Locked Bag 5087  
Parramatta NSW 2124

## Pension

*call*

CareSuper PensionLine **1300 664 781**  
Monday to Friday 8am to 6pm AEST

*visit*

**caresuper.com.au**  
For online access to your pension  
account visit **caresuper.com.au/login**

*email*

**pension@caresuper.com.au**

*write*

CareSuper Pension  
Locked Bag 5042  
Parramatta NSW 2124

*i*

## Keep your details up to date

If you have changed any of your personal details, such as your name, address or any of your contact numbers, or if you are about to, then don't forget to let us know. Call us or log in to your account online at **caresuper.com.au/login** to advise your new details. Remember, if we can't contact you, you may lose track of your super savings.



CARE Super Pty Ltd (Trustee) ABN 91 006 670 060 AFSL 235226 RSE L0000956 CARE Super (Fund) ABN 98 172 275 725

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