

# CareSuper AnnualReport

## 2017

Celebrating  
30 years

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30 years



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# From the CEO



Welcome to CareSuper's Annual Report for the 2016/17 financial year. I'm pleased to report that it's been another successful year for CareSuper, with plenty of exciting developments.

## A year of strong returns

The Fund performed strongly this year across all Managed and Asset class options.

The Balanced options for super and pension closed out the year with returns of 11.70% and 12.7% respectively (after fees and taxes). Not only do these returns exceed the investment objectives set for the Balanced options, they also outperform other surveyed options, ranking in the top 25% of funds in the annual SuperRatings surveys.\*

Take a look at our investment update on page 19 to find out how our super and pension investment options performed, and some of the key factors that contributed to our strong returns.

## An award-winning Fund

At CareSuper, our primary goal is to make a positive, tangible difference to the lives of our members, and it's rewarding to be recognised for the work we do.

This year, we were proud to be named by all the major ratings agencies as being one of the top 10 funds in Australia. CareSuper was awarded Choice Fund of the year by SuperRatings, Fund of the Year by *Money* Magazine, and winner of SelectingSuper's Long Term Performance Award for the second year in row.

## More options for retirement

We know that as a population, Australians are living longer and spending more time in retirement. We want to help our members make their income last, which is why we have introduced a new Guaranteed Income product.

The benefit of a Guaranteed Income account is that it provides certainty, through regular payments, which can be indexed, for a fixed term or your lifetime, regardless of how the market performs. To find out more about our Guaranteed Income product, visit [caresuper.com.au/retirement](http://caresuper.com.au/retirement) or call us on 1300 664 781.

## A new insurance arrangement

We believe insurance plays an important role in super – to cover those who cannot work through to retirement age, and to support the families of those who prematurely pass away.

This year, following an extensive tender process, we appointed MetLife as our new insurer from 1 January 2017. This decision was based on a broad range of criteria, including the ability to enhance member experience through technology; underwriting and claims philosophy and processes; and sustainable pricing.

## Celebrating 30 years

I'm proud to say that CareSuper celebrated its 30th anniversary late last year.

Over the years we've been consistently recognised for our product offering, investment performance and integrity. These things don't happen by accident – they are a testament to the dedication of our Board and staff.

Of course, none of it would have been possible without the loyalty of our members and employers, and the support of our professional service partners.

I hope we can continue to work together for many years to come.

**Julie Lander**  
CEO

\* Source: SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2017; SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60-76) Index, June 2017

# From the Chair



CareSuper has had another successful year in 2016-17 and I thank the Board, CEO – Julie Lander, executives, staff and our service providers for their hard work in achieving this result.

## Helping members for 30 years

In 1986, CareSuper (then known as CARE) was first established as a fund for people employed in administration and office based roles. We've seen significant growth and many changes since then, but most of our milestones have one thing in common: they're all about finding new ways to create better futures for our members.

This 'members first' ethos has been at the heart of CareSuper's philosophy from the very beginning, and I'd like to thank our members for your support over this time.

## A superior super model

We believe that the industry super model has delivered superior outcomes over the long term – primarily for members but also for the Australian economy by investing in local companies, property and infrastructure. Industry funds have buy-in from stakeholders – both members, which are represented by unions, and employer representatives, which are equally represented on our Board. Our governance structure and culture are firmly focused on producing the best results possible for members and our approach has delivered strong investment returns and quality services over the long term. Around the world, funds that are run under this model and with the sole purpose to benefit their members, not to profit shareholders or other parties, have produced superior outcomes.

We also believe in transparency – building the trust of our members while strengthening our fund and delivering a quality product.

Recently there has been pressure put on the Government by banks and other financial institutions, which run their businesses to deliver a profit for their shareholders, to make changes to superannuation laws that would give them greater access to managing superannuation savings. As an industry fund, our goal is to protect the interests and retirement outcomes of our members, and we believe the Government should also prioritise member interests given that superannuation is a compulsory pillar in the nation's retirement incomes policy. You can read about these issues at [banksarentsuper.com](http://banksarentsuper.com) and rest assured that we will resist changes that are not in your best interests.

## Changes to the Board

This year, employer directors, David Michaelis and Sandy Grant, retired from the Board. Claire Keating was appointed to replace Mr Michaelis and the Board resolved that Gabriel Szondy, an existing independent director, would be re-appointed as an employer director to replace Mr Grant and become Chair of the Investment Committee. This has reduced the size of the

Board, which was previously increased following the merger with Asset Super in 2012. Ms Keating was appointed Chair of the Compliance Audit and Risk Committee. There are now six employer directors and six member directors on the CareSuper Board, meeting the current legislative requirement for equal representation. The Board also reviewed committee structures and delegations during the year. Details regarding our directors, executives, governance structure and policies can be accessed at [caresuper.com.au](http://caresuper.com.au).

## New super laws

A number of superannuation changes legislated in 2016 came into force on 1 July 2017. These changes affect how much can be contributed to superannuation both before and after your income has been taxed, how much can be transferred into a pension account, and super tax rates in certain circumstances. To learn more about the changes, visit [caresuper.com.au/superchanges](http://caresuper.com.au/superchanges).

## Annual member meetings

CareSuper has held Annual Member Updates for many years, providing a great opportunity for our members to hear from the Fund's leaders about our performance, achievements and plans. You can find out more about our events at [caresuper.com.au](http://caresuper.com.au).

## Improving retirement outcomes

CareSuper has long been an advocate for fairness in the super industry, and we believe that more must be done to improve retirement outcomes for women and low-income earners generally. With women currently retiring with around 47% less super than men, and around 40% of single women retiring below the poverty line, the Government must urgently act to help create a fairer system that sees women and low-income earners retire with dignity. We support industry initiatives to boost the super balances of these Australians including the Women in Super Make Super Fair campaign (read more at [makesuperfair.com.au](http://makesuperfair.com.au)).

To find out more about how we're managing our members' retirement savings, visit [caresuper.com.au](http://caresuper.com.au) or call us on 1300 360 149.

**Catherine (Cate) Wood**  
CareSuper Chair

# About CareSuper

## Our purpose

To make a positive difference to our members' lives by helping to set them up for a better future.

## Our mission

To maximise secure and sustainable financial outcomes for members during and after their working lives.

Celebrating  
30 years



## Our values

Our members are at the heart of everything we do, and every decision we make is based on their interests.

SPIRIT is the backbone of CareSuper – it defines what we believe in and how we behave. SPIRIT stands for service, professionalism, integrity, relationships, innovation and teamwork.

## An award-winning fund



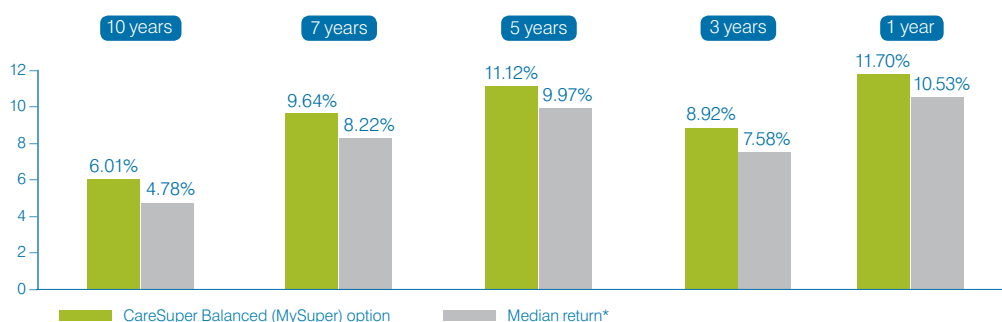
For more information on all of our awards, go to [caresuper.com.au/awards](http://caresuper.com.au/awards).

# Year at a glance

## Superior returns

### Super Balanced option returns

Compare CareSuper's Balanced (MySuper) option returns to 30 June 2017 and see how we've delivered strong performance year after year.

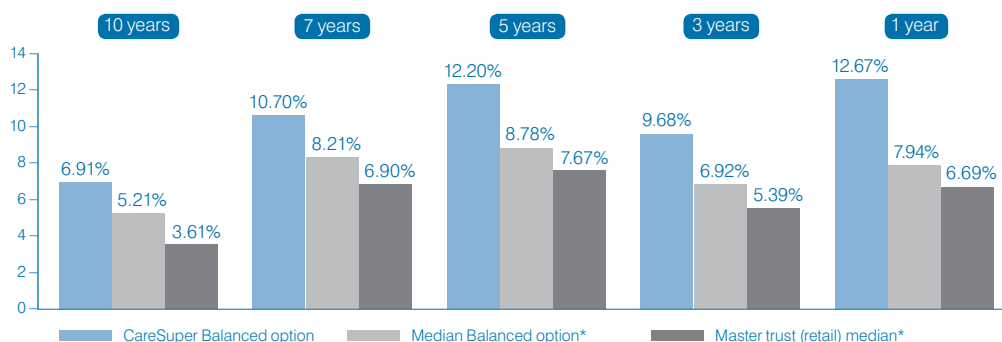


Please note: CareSuper's 10-, 7-, 5- and 3-year returns are compound average annual returns. CareSuper returns are net of fees and taxes. Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments. Returns have been rounded to two decimal places.

\* Source: SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, June 2017. This survey includes Balanced options for industry funds and master trusts.

### Pension Balanced option returns

Compare CareSuper's Balanced option returns to 30 June 2017 with other Balanced returns and see how we've delivered strong performance year after year.



Please note: CareSuper's 10-, 7- and 5-year returns are compound average annual returns. CareSuper returns are net of fees and taxes. Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments. Returns have been rounded to two decimal places.

\* Source: SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60–76) Index, June 2017. This survey includes Balanced options for industry funds and master trusts.



**\$13bn** funds under management

Over **66,000**   
employers contributing to the fund


Over **247,000** members



**2500**

workplace visits made by the client partnership team across Australia

**+70** events 

**134,931** 

calls were received from members

The outbound calling team spoke to

**12,386**  members

Our financial planners helped over


**2250** members

**1.3** million visits  
to the CareSuper website

Over **90%** highly satisfied 

with CareSuper's customer service  
(according to Net Promoter Score results)

 Over **15,000**  
visits to the income stream and spare change calculators

Over **78,690**  members received an online statement

# People and governance



## Meet the CareSuper Board

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

The CareSuper Board is comprised of professionals with specialist skills and experience to ensure the Fund delivers the best outcomes for members. The Board consists of equal numbers of member and employer representative directors. These directors are nominated by relevant organisations in accordance with certain procedures and appointed by the Board. Board decisions require at least a two-thirds majority.

## Associated directorships

During 2016/17 the following directors held directorships with organisations with which CareSuper engages, invests or partners:

### **Catherine (Cate) Wood:**

Director, ISPT Pty Ltd (remunerated position), IFM Shareholder Advisory Board (remunerated position – paid to CareSuper)

Director, IGIP Pty Ltd, Industry Super Australia Pty Ltd, Australian Institute of Superannuation Trustees, Women in Super, and Mother's Day Classic Foundation (non-remunerated positions)

### **Terence (Terry) Wetherall:**

Director, NSW Business Chamber Ltd

### **Catherine (Cate) Wood**

#### **Chair – Member Director**

Cate Wood is an experienced director who holds positions on numerous boards, providing depth of knowledge in superannuation, governance, strategy and diversity.

She is a current Director of Industry Super Australia, ISPT Pty Ltd and IGPT Pty Ltd (Property Trusts), the Mother's Day Classic Foundation, the Australian Institute of Superannuation Trustees and Women in Super (where she is also National Chair).

She has previously held executive positions as CEO of AGEST Super and The Trade Union Training Authority. She was Deputy Chair of CareSuper from March 2012 until her appointment to Chair in March 2014.

Cate was nominated to the CareSuper Board by the Australian Services Union (ASU).

**Committees:** Chair, Development and Product Committee, Investment Committee, Governance and Remuneration Committee



### **Terence (Terry) Wetherall**

#### **Deputy Chair - Employer Director**

Terry Wetherall serves as a current Director and Committee Member of the New South Wales Business Chamber (NSWBC).

Terry is also the current Director of TCW Consulting, and a previous Director of JBA Planning. He holds membership in the Planning Institute of Australia and the Property Institute of Australia.

Terry's working career has spanned both local government and private business management, including roles in the meat and steel industries, and more recently the property industry.

Terry has been a long-time participant in the Chamber of Commerce movement and is the President of the Australian Chamber of Commerce and Industry. He is a past President of the NSWBC.

**Committees:** Chair, Governance and Remuneration Committee, Development and Product Committee, Investment Committee

Please note: Board members and committee membership are as at June 2017.



### Julie Bignell

#### Member Director

Julie Bignell is a professional non-executive director and is on the Board of Austin Health and was a member of the Board of the North Queensland Bulk Ports Corporation from 2000 to 2011.

From 2000 to 2015 Julie was the Branch Secretary of the Central and Southern Queensland Branch of the Australian Services Union (ASU). She served for a period as the National Vice President. She was also Vice President of the Queensland Council of Unions and the Assistant Secretary of Together. She brings extensive strategic and business planning skills to the Board.

Julie was nominated to the CareSuper Board by the ASU.

**Committees:** Chair, Member and Employer Services Committee, Investment Committee, Claims Review Committee



### Chris Christodoulou

#### Member Director

Chris Christodoulou is the Chief Executive Officer of Greenacres Disability Services.

From 1999 to 2013, Chris worked at Unions NSW, where he served as Senior Industrial Officer and reached the position of Assistant Secretary. He was also a Director of Asset Super prior to its merger with CareSuper in 2012. He brings management, governance and strategic planning skills to the Board and has extensive experience with membership organisations.

Chris was nominated to the CareSuper Board by Unions NSW.

**Committees:** Governance and Remuneration Committee, Development and Product Committee



### Michelle Gardiner

#### Member Director

Michelle's career in the financial services industry spans 30 years and includes senior management roles in funds management, asset consultancy, research and strategic planning.

From 1994 to 2000, Michelle worked at Rothschild Australia in a variety of senior roles including business development and product management. After moving to Queensland she joined van Eyk Research and a Queensland based super fund, where she was appointed CEO of its subsidiary advice service. In 2004 Michelle joined CANNEX as head of banking product research and was subsequently appointed acting General Manager to assist the business through a transition period in 2005/06.

Michelle was nominated to the CareSuper Board by the (SDA).

**Committees:** Deputy Chair, Investment Committee, Compliance, Audit and Risk Management Committee



### Keith Harvey

#### Member Director

Keith Harvey currently chairs Aspire Learning Resources, a not-for-profit training resources publisher specialising in the business and community services sectors.

Through his roles with the Federated Clerks Union (FCU), and subsequently the Australian Services Union, Keith has represented the interests of clerical and administrative employees for over 30 years.

Keith's varied responsibilities have included international exposure, and he brings a breadth of knowledge regarding superannuation, industrial relations, management and strategic and business planning to the Board.

**Committees:** Member and Employer Services Committee, Development and Product Committee, Claims Review Committee

Please note: Board members and committee membership are as at June 2017.

## People and governance continued



**Gregory (Greg) McLean OAM**  
Member Director

Greg McLean OAM is an experienced director with expertise in social and competition policy, political engagement, industrial relations, superannuation and financial management.

Greg has been a director of several corporate and not-for-profit organisations, along with state-owned corporations. He has spent around 40 years representing working Australians, including as the Assistant National Secretary of the Australian Services Union.

Greg has acted as a political representative at a range of national and international conferences. He was also a member of the Federal Government Expert Panel on Constitutional Recognition of Local Government, and is an elected Councillor of Sutherland Shire Council.

Greg was awarded an Order of Australia for services to industrial relations and a range of boards, including those associated with skills and training. He holds a Scroll of Honour from Unions NSW.

He was nominated to the CareSuper Board by Unions NSW.

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



**Mark Sibree**  
Employer Director

Mark Sibree has executive management experience in the financial services, building society, health and general insurance, pharmacy and other industries. He is currently a self-employed consultant.

Previously, Mark was a Director and President of the Victorian Employers Chamber of Commerce and Industry, as well as Group Managing Director of Australian Unity and General Manager – Investment & Ventures within the Amcor Group.

Mark was nominated to the CareSuper Board by the Victorian Chamber.

**Committees:** Member and Employer Services Committee, Development and Product Committee, Claims Review Committee



**Graeme (Sandy) Grant**  
Employer Director (ceased 31 Dec 2017)

Sandy Grant brought a wealth of experience in superannuation, management, investments and governance to the CareSuper Board, having held senior managerial roles over 30 years with the Colonial Mutual Group, including General Manager of superannuation administration business.

He has also served as a Director of Members Equity Bank, Industry Super Holdings and Industry Fund Services, and was CEO of a Melbourne-based industry fund.



**Andrea Waters**  
Employer Director

Andrea is a chartered accountant. She spent 28 years at KPMG and was Partner – Financial Services Audits from July 1996 to July 2012. She is now a professional non-executive Director, serving on the Boards of the Chartered Accountants Australia and New Zealand, Citywide and the Lord Mayors Charitable Foundation. She has in-depth knowledge of finance and accounting, superannuation, compliance and risk.

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

Please note: Board members and committee membership are as at June 2017.





**Gabriel Szondy**  
Employer Director

Gabriel is a qualified Chartered Accountant and was a Senior Partner of Pricewaterhouse Coopers (PwC), specialising in superannuation and taxation.

He is a Director and Chair of Frontier Advisers and, in addition to accounting and tax skills, he has extensive knowledge in investments.

Gabriel's involvement in the superannuation industry spans over 30 years. He has been involved with CareSuper since its inception and became a Board member in 2001.

**Committees:** Chair, Investment Committee



**Claire Keating**  
Employer Director

Claire Keating is a qualified chartered accountant and experienced director. She currently serves as a director on the Board of multiple financial organisations and is the Chair of Finance, Investment and Infrastructure at Yooralla.

From 2002 to 2016, Claire was a Partner at PricewaterhouseCoopers (PwC). Her career at PwC has spanned several senior management roles in assurance and as the lead on numerous consulting assignments. These include her position as the Melbourne lead and Partner for PwC's Financial Services Assurance Practice and as the National leader of the PwC Investment Management Assurance sector. Prior to this, she served as a member-elected director on the Board of PwC's Superannuation Fund from 1998 to 2002.

Claire is actively involved in supporting and consulting with leading super industry bodies, such as the Australian Institute of Superannuation Trustees. With over 25 years' experience in funds management, she brings a wealth of knowledge on superannuation administration and risk management to the Board.

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



**Katherine Sampson**  
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.

Katherine has served on a number of boards and committees in the past, in both legal and non-legal spheres, including the Monash Law School Foundation, Walter & Eliza Hall Institute Ethics Committee, the Melbourne International Arts Festival and Deputy Chair of the Australian Press Council.

**Committees:** Investment Committee, Development and Product Committee, Governance and Remuneration Committee



**David Michaelis**  
Employer Director (ceased 31 Dec 2017)

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 the 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 NSWBC and The Australian Chamber of Commerce and Industry.

Please note: Board members and committee membership are as at June 2017.



## 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 a minimum of one Committee for which they receive an attendance fee.

### 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 CARC include:

- Internal and external audit monitoring
- Various policy document reviews
- Ongoing monitoring of risks within the Fund's Risk Management Framework.

### Governance and Remuneration Committee

The key tasks for the Governance and Remuneration Committee include:

- Various policy document reviews
- Ongoing monitoring of the risks designated to the Committee
- Training for Directors – planning for the year based on skills matrix and competency assessment
- Review of intended governance changes by the Government
- Review of Board and Committee structures and delegations.

### Investment Committee

The primary function of the Investment Committee (IC) is to monitor the implementation of the investment strategy and investment operations of the Fund within the framework approved by the Board. The IC is responsible for the ongoing review of all external providers who manage the investments of the Fund.

### Member and Employer Services Committee

The Member and Employer Services Committee 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 that may arise in relation to the relevant areas.

### Development and Product Committee

The purpose of the Development and Product Committee (DPC) is to oversee CareSuper's:

- Marketing, education and communications strategies
- Member and employer engagement strategies
- Growth initiatives including consideration of fund mergers
- Product strategy, including significant changes to product features and benefits.

### Board and Committee attendance and remuneration

To reflect the time and commitment provided to the Fund, and take into account the additional responsibilities of those who serve on and chair Committees, CareSuper uses a 'total fee' approach to set its Director remuneration. This total fee includes an annual base fee, a fee for meeting attendance for Board and Committee meetings and superannuation contributions.

The target level of income for a Director is the average of the median fees paid by superannuation funds in the 'profit to members' sector in the same bracket of asset size, contribution income and member of numbers, assuming attendance at 8 Board meetings per year.

The following table outlines the attendance and remuneration for the 2016/17 financial year.

Director	Board meetings attended	Committee meetings attended	Director's fee	Super (where paid to an individual)	Fees paid to
Cate Wood (Chair) <sup>7</sup>	8/8	12/12	\$97,824.00	\$9,293.28	Director
David Michaelis <sup>1</sup>	4/4	7/7	\$35,305.00	\$3,353.98	Director
Julie Bignell <sup>6</sup>	8/8	13/14	\$64,772.35	\$6,153.36	Director
Chris Christodoulou	8/8	6/6	\$52,372.09	\$4,975.34	Director
Michelle Gardiner	8/8	8/8	\$55,614.00	\$5,283.35	Director
Keith Harvey <sup>4</sup>	8/8	20/20	\$62,156.20	\$5,904.84	Director
Greg McLean	7/8	3/4	\$47,761.02	\$2,811.76	ASU
Sandy Grant <sup>2</sup>	6/6	6/6	\$49,536.04	\$4,705.95	Director
Katherine Sampson	8/8	8/8	\$54,422.40	\$5,170.11	Director
Mark Sibree <sup>5</sup>	8/8	20/20	\$60,872.20	\$ 5,782.87	Director
Andrea Waters	8/8	4/5	\$50,739.00	\$4,820.19	Director
Terrance Wetherall	7/8	6/6	\$61,974.53	\$5,887.62	Director
Gabriel Szondy	8/8	6/6	\$59,954.76	\$5,695.67	Director
Claire Keating <sup>3</sup>	4/4	5/5	\$28,337.52	\$ 2,692.04	Director

<sup>1</sup> Ceased 31 December 2016

<sup>2</sup> Ceased 31 March 2017

<sup>3</sup> Commenced 1 January 2017

<sup>4</sup> Includes 12 claims review committee meetings

<sup>5</sup> Includes 12 claims review committee meetings

<sup>6</sup> Includes 4 Claims Review committee meetings commencing in February 2017

<sup>7</sup> The Chair attends additional meetings of other Committees on an ex officio basis.

## How we manage the Fund

### Governance

The trustee of CARE Super (the Fund) is CARE Super Pty Ltd (the Trustee). The Trustee's ABN is 91 006 670 060, and its Australian financial services licence number is 235226. The Fund's ABN is 98 172 275 725.

The Trustee has an indemnity insurance policy in place to protect its directors. It is a Registered Superannuation Entity licensee, licence number L0000956, and is authorised to offer a MySuper product. Its MySuper identification number is 98172275725867.

The Trustee's approach to managing the Fund is detailed in a number of governance policies and documents. These documents include, but are not limited to, the Trust Deed, Board and Committee Charters and Constitution. They outline the powers and responsibilities vested in the Trustee, as well as the rules for how the Trustee operates. This includes provisions for the appointment and removal of Directors. The Board Charter outlines the principle functions, policies and operations of the Board.

You can view these policies on our website at [caresuper.com.au/governance](http://caresuper.com.au/governance).

### Compliance

CARE Super is a regulated superannuation fund under the *Superannuation Industry (Supervision) Act 1993* (Cth). The Trustee will continue to operate in accordance with all statutory requirements of superannuation, corporation, taxation and other relevant legislation.

### 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 all Committees. The material risks covered by this framework include investment governance, liquidity, insurance, fraud, operations, strategy, outsourcing and cyber. In addition, ongoing monitoring includes a risk radar to identify any potential future risks.

### Related parties

The Trustee 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, the New Daily Pty Ltd and Industry Fund Services Ltd.

The Trustee invests in products of ISPT, IGIPT 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. The Trustee engages the services of a number of these entities.

# The CareSuper team



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

## Julie Lander

### CEO

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, a Graduate Certificate in Organisational Leadership and has completed RG146 (Superannuation). She is a Fellow of the Australian Institute of Superannuation Trustees (AIST). She serves on the Policy Committee of AIST, is a Director of the Fund Executives Association Limited and the Business Council of Co-operatives and Mutuals and is the Chair of Industry Funds Forum.



## Belinda Ray

### Executive Manager – Governance & Risk Fund Secretary

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

Belinda started her career as an auditor for 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.



## Suzanne Branton

### Executive Manager – Investments

Suzanne joined CareSuper in February 2015 as General Manager – Investments. She is responsible for managing the investment program of the Fund and CareSuper's internal investment team. Suzanne works with the Fund's external managers and advisers to manage the investments of the Fund in accordance with the investment strategy and policies determined by the CareSuper Board and Investment Review Committee.

Suzanne has over 20 years' experience in financial markets, primarily in direct investment roles. Her experience encompasses both research and portfolio management, with a long-standing focus on strategy and asset allocation. Prior to joining CareSuper, Suzanne spent nine years at another industry super fund. Her role extended across the fund's investment functions and included manager research and selection, asset class responsibility and fund strategy. Suzanne has also held senior positions at Goldman Sachs JBWere. She holds a Bachelor of Economics (Honours) and a Graduate Diploma of Applied Finance and is a Fellow of the Financial Services Institute of Australasia.





## Rachel Reynolds

### Executive Manager – Operations

Rachel joined CareSuper in January 2015 as General Manager – Operations. She is responsible for managing the administration of the Fund, as well as providing reporting and analysis to internal stakeholders.

Rachel has previously worked in administration and operations management at law firms and other super funds. Her experience in the super industry spans 14 years, and she has developed an extensive knowledge of superannuation operations and associated systems. Rachel holds an Advanced Diploma of Financial Services (Superannuation) and has also studied continuous improvement programs, focused on delivering efficient and effective processes and services.



## Peter Theodorakopoulos

### Executive Manager – Marketing & Brand Strategy

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).



## Mark Lyons

### Executive Manager – Corporate Services

Mark joined CareSuper in May 2017 as Executive Manager – Corporate Services. He is responsible for developing and implementing operational strategy in a range of areas including human resources, business intelligence, corporate finance and technology.

Mark has around 30 years' experience working within financial services and highly regulated industries. Before joining CareSuper he held senior management roles in banking and local government, where he focused on delivering superior customer outcomes and business performance. In previous roles, Mark managed activity such as governance, corporate planning, asset management and business improvement.

Mark holds a Bachelor of Business and a Master of Business Administration. He is a qualified accountant and a member of CPA Australia.



## Paul Northey

### Executive Manager – Relationships & Growth

Paul joined CareSuper in May 2017 as Executive Manager – Relationships & Growth. His responsibilities include the development and execution of the Fund's growth and retention strategies, and leading CareSuper's client and member facing teams.

Paul brings a wealth of knowledge to his role at CareSuper, having spent over 20 years in the financial services industry. His wide-ranging experience encompasses senior executive roles in superannuation and funds management, financial planning, life and general insurance and banking. Prior to joining CareSuper, Paul was General Manager of RACV Insurance and before that was the Director of Wealth Management for a leading internationally owned banking group. He has also led distribution and marketing teams with major wealth management firms.

Paul holds qualifications including a Bachelor of Business and a Diploma of Financial Planning. He is a graduate of the Senior Executive Programme at the London Business School, has also studied executive development at the Wharton School of Business in Philadelphia and is a member of the Australian Institute of Company Directors.

## The CareSuper team continued

### 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 several factors including gender, age, experience, skills and professional qualifications.

CareSuper 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. We recruit based on merit, taking into account the skills, qualifications, experience and other attributes required to perform the role and contribute to the team.

#### Gender diversity\*

Area	Females	Males
Board	6	6
Executive team	4	3
Middle managers	6	4
Other staff	35	26

\*As at 30 June 2017

### Staff remuneration

The objectives of CareSuper'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. We do not pay short- or long-term incentives, believing these are not aligned with the 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 staff
\$50,000 – \$150,000	57
\$150,000 – \$350,000	13
\$350,000 – \$600,000	2

The above table shows the salary ranges of CareSuper staff, based on total salary package as at 30 June 2017.

# Partnerships

CareSuper works with a range of independent service providers to assist with the key operations of the Fund.

## Service providers

CareSuper's service providers during 2016/17 included:

## Administration

Australian Administration Services Pty Limited

## Asset Consultant

JANA Investment Advisers Pty Ltd

### Auditors – external

KPMG (CARE Super Pty Ltd)

PricewaterhouseCoopers (CARE Super)

Auditor – internal

KPMG

## Credit Control Services

## Industry Funds Credit Control

## Custodian

NAB Asset Servicing

Pacific Custodians Pty Limited

## Insurer

CommInsure (until 31 December 2016)

Metlife (from 1 January 2017)

## Insurance adviser

IFS Insurance Solutions Pty Ltd

## Legal advisers

Greenfields Financial Services Lawyers (Melbourne)

Hall & Wilcox Lawyers

Holding Redlich

## Tax adviser

KPMG



## 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 advice and research to the Fund on investment strategy and investment managers. With JANA's assistance, the Trustee monitors and reviews the performance of each investment manager.



# Sustainability and corporate responsibility

At CareSuper, we believe in making a positive difference to the lives of our members, people and communities. And while our operational footprint is small, we understand the impact of our investments and are always looking for new ways to incorporate environmentally-friendly practices into our workplace. We adopt clear and transparent reporting to ensure we remain accountable to members and other stakeholders for our actions and performance.



## Investing responsibly

As an Australian super fund, we have a fiduciary responsibility to invest our members' money with their best interests in mind. We believe companies that act responsibly will perform better over time, so we require our investment managers to consider environmental, social and governance (ESG) factors as part of the investment process.

Members who are looking to invest in an option with an even greater emphasis on ESG factors can choose to invest in the Sustainable Balanced option. Our investment managers for this option use special criteria and screening processes to manage and select Australian and overseas shares.

Learn more about how CareSuper invests responsibly at [caresuper.com.au/responsibleinvesting](https://caresuper.com.au/responsibleinvesting).



## Communicating sustainably

As much as possible, we try to keep our members informed about their super via email. This minimises printing, which in turn reduces our impact on the environment.

Members can manage their communication preferences via MemberOnline.

Over 78,690 members received an online version of their 2016/17 annual statement.



## A sustainable workplace

We feel strongly about running our office in a way that benefits our members, our people and the environment in which we operate.

Some of the ways we do this include:

- Seeking opportunities to reduce our use of natural resources and minimise waste
- Engaging and collaborating with business partners to promote responsible, sustainable operations
- Employing a diverse, skilled Board and workforce and fostering a culture that protects and enhances health, safety and wellbeing.

We also have a sustainability committee, which was formed by staff to raise awareness of sustainability issues within our offices and among members, suppliers and partners.



# Investment update

In a year of rising financial markets, CareSuper's Managed and Asset Class options delivered positive results for members.



**Suzanne Branton**  
Executive Manager – Investments

The Balanced (MySuper) option delivered a return of 11.70% for the 2016/17 year, ranking in the top 25% of surveyed funds.\* This top quartile ranking has been achieved by CareSuper over all measured time periods up to ten years.\*

CareSuper's Pension options also performed well, with the Pension Balanced option returning 12.67% for the financial year.\*\* In fact, the Pension Balanced option was the number 1 ranked pension option over 10 years, according to SuperRatings.\*\*

\* Source: SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2017.

\*\*Source: SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60-76) Index, June 2017.



# Investment update continued

## Investment returns (after fees and taxes) to 30 June 2017

### Super investment options

	Annual returns					Long-term annual returns*			
Investment options	2016/17 (%)	2015/16 (%)	2014/15 (%)	2013/14 (%)	2012/13 (%)	10 years (% p.a.)	7 years (% p.a.)	5 years (% p.a.)	3 years (% p.a.)
<b>Managed options</b>									
Capital Guaranteed	1.65	2.27	2.91	1.67	0.90	2.83	2.15	1.88	2.28
Capital Stable	6.86	3.56	6.67	8.02	10.46	5.39	6.90	7.09	5.69
Conservative Balanced	8.83	3.08	8.26	9.80	12.92	5.60	7.87	8.53	6.69
<b>Balanced (MySuper)</b>	<b>11.70</b>	<b>4.45</b>	<b>10.76</b>	<b>12.84</b>	<b>16.15</b>	<b>6.01</b>	<b>9.64</b>	<b>11.12</b>	<b>8.92</b>
Sustainable Balanced	9.36	4.35	9.79	12.29	16.07	5.21	8.95	10.31	7.80
Alternative Growth	11.54	5.47	9.68	12.69	16.93	6.25	9.76	11.20	8.86
Growth	13.69	3.04	11.78	15.30	20.01	5.98	10.35	12.62	9.40
<b>Asset Class options</b>									
Capital Secure	2.08	2.44	2.78	2.83	3.39	3.40	3.23	2.70	2.43
Fixed Interest	1.77	4.05	4.87	4.93	6.04	6.03	5.68	4.32	3.55
Direct Property	12.94	13.34	9.61	8.60	5.89	6.54	9.45	10.04	11.95
Australian Shares	14.72	0.19	7.60	16.87	20.78	4.36	9.25	11.79	7.34
Overseas Shares	18.56	-0.39	20.47	18.26	30.73	6.86	12.80	17.08	12.47

The long-term returns shown above may differ from actual returns received by individual members. 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 reliable indicator of future performance and other factors should be considered before choosing a fund or changing investments.

\* These returns are compound average annual returns.

## Investment returns (after fees and taxes) to 30 June 2017

### Pension investment options

	CareSuper Pension annual returns					Long-term annual returns*			
Investment options	2016/17 (%)	2015/16 (%)	2014/15 (%)	2013/14 (%)	2012/13 (%)	10 years (% p.a.)	7 years (% p.a.)	5 years (% p.a.)	3 years (% p.a.)
<b>Managed options</b>									
Capital Guaranteed	2.03	2.61	3.41	1.84	0.95	2.99	2.36	2.16	2.68
Capital Stable	7.47	4.08	7.55	8.95	11.74	6.12	7.78	7.93	6.36
Conservative Balanced	9.53	3.76	8.85	10.92	14.97	6.35	8.87	9.55	7.35
Balanced	12.67	4.89	11.64	14.03	18.19	6.91	10.70	12.20	9.68
Sustainable Balanced	10.22	4.58	10.83	13.62	18.43	5.92	2.36	11.45	8.51
Alternative Growth	12.81	5.88	10.72	12.72	18.94	6.91	7.78	12.14	9.76
Growth	14.68	3.88	12.84	16.77	22.18	6.67	8.87	13.91	10.36
<b>Asset Class options</b>									
Capital Secure	2.43	2.66	3.22	3.24	4.15	4.00	3.78	3.14	2.77
Fixed Interest	2.23	4.68	5.44	5.84	6.93	6.94	6.52	5.01	4.11
Direct Property	14.95	14.86	10.92	9.62	7.02	7.43	10.74	11.43	13.56
Australian Shares	16.35	1.27	8.18	19.39	23.10	4.94	10.57	13.38	8.42
Overseas Shares	20.94	-0.45	21.85	19.88	35.04	7.65	14.37	18.89	13.62

The long-term returns shown above may differ from actual returns received by individual members. 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 reliable indicator of future performance and other factors should be considered before choosing a fund or changing investments.

\* These returns are compound average annual returns.

# 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 table below lists the investment managers by asset class, the value of funds held by each and the percentage of the total Fund's assets that each holding represents.

CareSuper's investment managers during 2017/18	Investments held by managers			
	2017		2016	
	\$m	% of Fund	\$m	% of Fund
<b>Absolute Return</b>				
BNP Absolute Return Fixed Interest Trust	260.44	1.99%	113.51	1.01%
GAM Absolute Return Bond Fund	259.64	1.99%	144.77	1.29%
GMO Multi Strategy Trust <sup>2</sup>	0.00	0.00%	348.31	3.11%
Insight Absolute Return Bond Fund	258.44	1.98%	113.64	1.02%
Wellington Global Total Return	226.02	1.73%	184.37	1.65%
<b>Total</b>	<b>1,004.54</b>	<b>7.69%</b>	<b>904.61</b>	<b>8.08%</b>
<b>Australian Shares</b>				
IFM Enhanced Index Equity Fund	742.55	5.69%	650.89	5.81%
Ophir High Conviction Australian Equities <sup>1</sup>	64.38	0.49%	0.00	0.00%
Ophir Opportunities Fund	54.96	0.42%	105.24	0.94%
Paradise Investment Management Large Caps	581.04	4.45%	479.60	4.28%
Perennial Value	528.20	4.04%	458.65	4.10%
Renaissance Smaller Companies	120.93	0.93%	113.91	1.02%
Schroder Australian Equity Fund	612.80	4.69%	485.01	4.33%
<b>Total</b>	<b>2,704.86</b>	<b>20.71%</b>	<b>2,293.30</b>	<b>20.49%</b>
<b>Capital Guaranteed</b>				
AMP Guaranteed Savings Account <sup>3</sup>	76.94	0.59%	78.11	0.70%
<b>Total</b>	<b>76.94</b>	<b>0.59%</b>	<b>78.11</b>	<b>0.70%</b>
<b>Cash</b>				
CFS Wholesale Cash Fund	1,001.17	7.67%	717.45	6.41%
Term Deposits	398.97	3.06%	358.16	3.20%
<b>Total</b>	<b>1,400.14</b>	<b>10.72%</b>	<b>1,075.61</b>	<b>9.61%</b>
<b>Credit</b>				
Apollo Credit Fund	152.36	1.17%	217.68	1.94%
Barings Multi Strategy Credit <sup>1</sup>	199.84	1.53%	0.00	0.00%
Gresham Property Fund No. 4 <sup>5</sup>	0.00	0.00%	2.96	0.03%
HayFin Direct Lending Fund	52.49	0.40%	95.11	0.85%
HayFin Direct Lending Fund II <sup>1</sup>	34.88	0.27%	0.00	0.00%
IFM Infrastructure Debt	63.01	0.48%	99.48	0.89%
Putnam Structured Credit <sup>2</sup>	0.00	0.00%	267.10	2.39%
Shenkman Capital Bank Loans <sup>1</sup>	243.89	1.87%	0.00	0.00%
<b>Total</b>	<b>746.47</b>	<b>5.72%</b>	<b>682.34</b>	<b>6.10%</b>
<b>Direct Property</b>				
Charter Hall Prime Office Fund	287.55	2.20%	251.53	2.25%

## Investment managers continued

CareSuper's investment managers during 2017/18	Investments held by managers			
	2017		2016	
	\$m	% of Fund	\$m	% of Fund
DEXUS Wholesale Property Fund	634.42	4.86%	586.66	5.24%
Eureka Development Fund No. 2 <sup>4</sup>	0.01	0.00%	0.01	0.00%
ISPT Core Fund	522.12	4.00%	390.43	3.49%
ISPT Development & Opportunities Fund No. 2	5.20	0.04%	5.70	0.05%
ISPT International Property Trust <sup>4</sup>	0.06	0.00%	0.06	0.00%
ISPT Retail Australia Property Trust	123.02	0.94%	92.37	0.83%
Lend Lease Australian Prime Property Fund Retail	36.96	0.28%	35.94	0.32%
<b>Total</b>	<b>1,609.35</b>	<b>12.32%</b>	<b>1,362.72</b>	<b>12.17%</b>
<b>Fixed Interest</b>				
Franklin Templeton Global Aggregate Bond Fund	109.84	0.84%	111.89	1.00%
IFM Specialised Credit Fund	137.86	1.06%	134.68	1.20%
Legg Mason Brandywine Global Fixed Income Trust	205.44	1.57%	194.29	1.74%
ME Bank Super Loans Trust	2.61	0.02%	6.62	0.06%
Perennial Australian Fixed Interest	202.59	1.55%	200.50	1.79%
Schroder Fixed Income Fund <sup>2</sup>	0.00	0.00%	166.33	1.49%
UBS Australian Fixed Interest <sup>1</sup>	167.81	1.29%	0.00	0.00%
<b>Total</b>	<b>826.16</b>	<b>6.33%</b>	<b>814.31</b>	<b>7.27%</b>
<b>Infrastructure</b>				
AMP Capital Infrastructure Equity Fund	195.88	1.50%	177.16	1.58%
Antin Infrastructure Fund	6.68	0.05%	33.29	0.30%
Antin Infrastructure Fund III <sup>1</sup>	0.47	0.00%	0.00	0.00%
Hastings Utilities Trust Of Australia	285.21	2.18%	258.24	2.31%
IFM Australian Infrastructure Fund	243.81	1.87%	216.98	1.94%
Macquarie Global Infrastructure Fund II	28.39	0.22%	28.59	0.26%
<b>Total</b>	<b>760.44</b>	<b>5.82%</b>	<b>714.27</b>	<b>6.38%</b>
<b>Overseas Shares</b>				
Antipodes Partners Global Equity <sup>1</sup>	302.32	2.32%	0.00	0.00%
Baillie Gifford Long Term Global Growth	313.69	2.40%	237.46	2.12%
CFS Global Emerging Markets	204.87	1.57%	191.01	1.71%
MFS Global Equity Trust	925.34	7.09%	786.22	7.02%
Neuberger Berman Emerging Markets	214.63	1.64%	128.41	1.15%
Orbis Global Equity Fund	411.15	3.15%	336.37	3.00%
Schroder Global Dynamic Blend	467.79	3.58%	523.29	4.67%
Transition Account <sup>6</sup>	0.00	0.00%	155.63	1.39%
Wellington Global Contrarian Equity	372.42	2.85%	252.22	2.25%
<b>Total</b>	<b>3,212.20</b>	<b>24.60%</b>	<b>2,610.61</b>	<b>23.32%</b>
<b>Private Equity</b>				
Advent Private Capital V	3.45	0.03%	2.51	0.02%
Bain Capital Fund IX	2.82	0.02%	4.71	0.04%
Coller International Partners V	1.65	0.01%	2.98	0.03%



CareSuper's investment managers during 2017/18	Investments held by managers			
	2017		2016	
	\$m	% of Fund	\$m	% of Fund
HarbourVest Partners IV <sup>1</sup>	39.72	0.30%	0.00	0.00%
Highland Credit Opportunities Fund	5.57	0.04%	6.65	0.06%
IFM Australian Private Equity Fund III	1.27	0.01%	2.25	0.02%
IFM Australian Private Equity Fund IV	5.20	0.04%	7.41	0.07%
IFM International Private Equity Fund I	0.67	0.01%	0.94	0.01%
IFM International Private Equity Fund II	5.74	0.04%	6.88	0.06%
IFM International Private Equity Fund III	42.86	0.33%	44.79	0.40%
Industry Super Holdings Pty Ltd	16.53	0.13%	13.80	0.12%
LGT Crown Europe Middle Market II	28.97	0.22%	28.85	0.26%
LGT Crown Global Secondaries II	13.27	0.10%	17.96	0.16%
Members Equity Bank Pty Ltd	28.41	0.22%	25.63	0.23%
Partners Group Direct Investments 2012	98.68	0.76%	93.50	0.84%
Partners Group Direct Investments 2016	26.99	0.21%	12.90	0.12%
Partners Group Secondary 2008	9.89	0.08%	18.41	0.16%
Partners Group Secondary 2011	86.75	0.66%	95.47	0.85%
Siguler Guff Distressed Opportunities IV	62.79	0.48%	84.66	0.76%
Siguler Guff Small Buyout Opportunities Fund II	86.32	0.66%	78.57	0.70%
Stafford International Timberland VI	20.74	0.16%	19.18	0.17%
Warakirri International Hedge Equity Fund <sup>4</sup>	0.03	0.00%	0.47	0.00%
Wilshire Private Markets	19.86	0.15%	27.95	0.25%
Wilshire Private Markets Asia No. 2	1.94	0.01%	2.24	0.02%
<b>Total</b>	<b>610.08</b>	<b>4.67%</b>	<b>598.71</b>	<b>5.35%</b>
<b>Sustainable Australian Shares</b>				
AMP Capital Sustainable Share Fund	28.06	0.21%	21.78	0.19%
<b>Total</b>	<b>28.06</b>	<b>0.21%</b>	<b>21.78</b>	<b>0.19%</b>
<b>Sustainable Overseas Shares</b>				
Candriam Sustainable Global Equity Fund	33.24	0.25%	29.71	0.27%
<b>Total</b>	<b>33.24</b>	<b>0.25%</b>	<b>29.71</b>	<b>0.27%</b>
	<b>13,012.49</b>	<b>100%</b>	<b>11,186.07</b>	<b>100%</b>

1 Appointed/added during the year.

2 Terminated during the year.

3 Accumulation assets are invested in the AMP Guaranteed Savings Account (Superannuation) and Pension assets are invested in the AMP Guaranteed Savings Account (Pension).

4 Investment being wound down. Small residual balance remaining.

5 Investment wind down complete. All distributions received.

6 Portfolio in transition to new manager.

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

Percentages may not sum to totals shown due to rounding.

# Investment holdings

The top holdings of the Australian shares and overseas shares asset classes are shown in the following tables.

## Australian shares

Top 20 holdings as at 30 June 2017

Security	% of asset class	% of Balanced (MySuper) option
Commonwealth Bank Of Australia	7.62%	1.55%
BHP Billiton	5.91%	1.20%
Australia and New Zealand Banking Group	5.58%	1.14%
Westpac Banking Corporation	5.53%	1.13%
National Australia Bank	4.23%	0.86%
Rio Tinto	3.14%	0.64%
CSL	2.63%	0.54%
Wesfarmers	2.63%	0.54%
Macquarie Group	2.62%	0.53%
Telstra Corporation	2.54%	0.52%
Woodside Petroleum	2.33%	0.47%
Woolworths	2.32%	0.47%
QBE Insurance Group	1.48%	0.30%
Suncorp Group	1.46%	0.30%
Lendlease Group	1.34%	0.27%
Iluka Resources	1.23%	0.25%
Crown Resorts	1.16%	0.24%
Santos	1.12%	0.23%
CYBG Plc	1.07%	0.22%
Brambles	0.98%	0.20%
	<b>56.93%</b>	<b>11.59%</b>

## Overseas shares

Top 20 holdings as at 30 June 2017

Security	% of asset class	% of Balanced (MySuper) option
Amazon.com	1.24%	0.33%
Samsung Electronics Co	1.23%	0.33%
Tencent Holdings	1.22%	0.32%
Baidu	1.04%	0.28%
Charter Communications	0.92%	0.24%
Bayer AG	0.92%	0.24%
Alibaba Group	0.91%	0.24%
Thermo Fisher Scientific	0.85%	0.23%
Facebook	0.84%	0.22%
Tesla	0.84%	0.22%
Nestle SA	0.82%	0.22%
UBS Group AG	0.74%	0.20%
Medtronic	0.72%	0.19%
Accenture	0.71%	0.19%
Honeywell International	0.69%	0.18%
Xpo Logistics	0.67%	0.18%
Reckitt Benckiser Group	0.66%	0.18%
Housing Development Finance Finance Corp	0.62%	0.17%
Zimmer Biomet Holdings	0.62%	0.16%
Illumina	0.62%	0.16%
	<b>16.88%</b>	<b>4.49%</b>

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.

### Direct property investments by location as at 30 June 2017

Geographic Diversification	% of asset class
NSW	40.5%
VIC	20.9%
WA	9.2%
QLD	24.3%
SA	2.1%
ACT	3.0%
International	0.0%
<b>Total</b>	<b>100.0%</b>

### Direct property investments by sector as at 30 June 2017

Sector Diversification	% of asset class
Retail	41.8%
Office	51.6%
Industrial	5.9%
Other	0.7%
<b>Total</b>	<b>100.0%</b>

### Infrastructure investments by location as at 30 June 2017

Geographic Diversification	% of asset class
International	17.1%
NSW	29.9%
VIC	28.8%
QLD	7.9%
WA	12.9%
TAS	0.0%
NT	1.6%
SA	1.8%
<b>Total</b>	<b>100.0%</b>

### Infrastructure investments by sector as at 30 June 2017

Sector Diversification	% of asset class
Airport	44.7%
Seaport	13.5%
Tollroads	5.7%
Regulated Utilities	25.4%
Social Infrastructure	6.5%
Other	4.2%
<b>Total</b>	<b>100.00%</b>

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.

### Fixed interest investments by sector as at 30 June 2017

Government Bonds / Cash	% of asset class
Australia	19.0%
Overseas	28.9%
<b>Total</b>	<b>47.9%</b>
Non-Government	% of asset class
Australia	42.4%
Overseas	9.7%
<b>Total</b>	<b>52.1%</b>

### Fixed interest investments by credit rating\* as at 30 June 2017

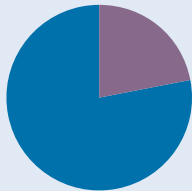
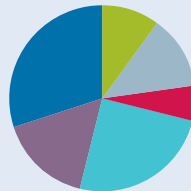
Credit rating	% of asset class
AAA	37.2%
AA	20.6%
A	19.7%
BBB	18.1%
Below BBB	4.4%

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.

# Investment options

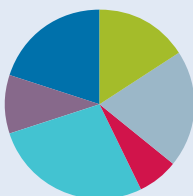
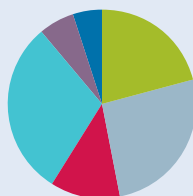










## Super investment options as at 30 June 2017

### 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 0.5% per year over rolling 10-year periods.</li><li>To provide a full guarantee on capital and credited accrued interest.</li><li>To provide 'smooth' returns which iron out market fluctuations and are never negative.</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 10-year periods.</li><li>To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.</li></ul>																																
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Risk level	Very low		Low to medium																																
Returns history Compound average returns p.a. for period to 30 June 2017.	5-year 1.88% p.a. 7-year 2.15% p.a. 10-year 2.83% p.a.  These returns are calculated <b>after</b> investment fees and taxes.		5-year 7.09% p.a. 7-year 6.90% p.a. 10-year 5.39% p.a.  These returns are calculated <b>after</b> investment fees and taxes.																																

<sup>#</sup> Special note: It is the Trustee's intention that this option will be invested in the AMP Capital Guaranteed Savings Account, managed by AMP Life Limited (AMP). AMP guarantees that capital and credited accrued interest 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 reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments. 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 10-year periods.</li><li>To 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 10-year periods.</li><li>To 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 30/06/2017 %</b>	<b>Range %</b>		<b>Benchmark at 30/06/2017 %</b>	<b>Range %</b>
 Australian shares	16	5–30	 Australian shares	21	10–40
 Overseas shares	20	5–30	 Overseas shares	26	10–40
 Property	7	0–15	 Property	12	0–25
 Alternatives			 Alternatives	30	0–55
			 Fixed interest	6	5–35
			 Cash	5	0–30
Medium			Medium to high		
5-year	8.53% p.a.		5-year	11.12% p.a.	
7-year	7.87% p.a.		7-year	9.64% p.a.	
10-year	5.60% p.a.		10-year	6.01% p.a.	
These returns are calculated <b>after</b> investment fees and taxes.			These returns are calculated <b>after</b> investment fees and taxes.		

Note: Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments. Returns have been rounded to two decimal places.



## Super investment options as at 30 June 2017 continued

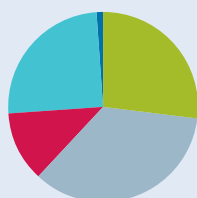
### Managed options (continued)

	Sustainable Balanced	Alternative Growth																																							
<b>Investment objectives</b>	<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 10-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 3.5% per year over rolling 10-year periods.</li> <li>To produce a less volatile return profile than the Growth option by investing a significant component of the portfolio in alternative investments.</li> </ul>																																							
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<b>Risk level</b>	Medium to high	High																																							
<b>Returns history</b> Compound average returns p.a. for period to 30 June 2017.	5-year 10.31% p.a. 7-year 8.95% p.a. 10-year 5.21% p.a. These returns are calculated <b>after</b> investment fees and taxes.	5-year 11.20% p.a. 7-year 9.76% p.a. 10-year 6.25% p.a. These returns are calculated <b>after</b> investment fees and taxes.																																							

Note: Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments. 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 10-year periods.
- To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.



	Benchmark at 30/06/2017 %	Range %
Australian shares	27	15–50
Overseas shares	35	15–50
Property	12	0–25
Alternatives	25	0–70
Cash	1	0–20

Medium to high

5-year	12.62% p.a.
7-year	10.35% p.a.
10-year	5.98% p.a.

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

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## Did you know?

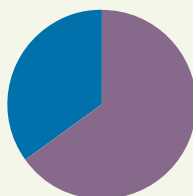
You can access financial advice about selecting an investment strategy that suits your objectives over the phone at no extra cost, by calling 1300 360 149.

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.

## Super investment options as at 30 June 2017 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 outperform the return of the Australian cash market (as measured by the UBS Bank Bill Index).</li><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></ul>		<ul style="list-style-type: none"><li>To outperform the return of a mix of the Australian and overseas bond markets (as measured by a benchmark consisting of the Bloomberg AusBond Composite Bond Index and the Barclays Capital Global Aggregate Index [hedged]).</li><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 0.5% per year over rolling 10-year periods.</li></ul>		<ul style="list-style-type: none"><li>To outperform the return of the Australian direct property market (as measured by the Mercer Australian Unlisted Property Index [pre-tax]).</li><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 10-year periods.</li></ul>										
Asset classes Benchmarks and ranges as at 30 June 2017.	100% cash or short-term money market instruments		<div><table><thead><tr><th colspan="3">Benchmark at 30/06/2017 % Range %</th></tr></thead><tbody><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></tbody></table></div>		Benchmark at 30/06/2017 % Range %			● Fixed Interest	65	50–100	● Cash	35	0–50	100% direct property	
Benchmark at 30/06/2017 % Range %															
● Fixed Interest	65	50–100													
● Cash	35	0–50													
Risk level	Very low		Very low		Medium to high										
Returns history Compound average returns p.a. for period to 30 June 2017.	5-year 7-year 10-year  These returns are calculated <b>after</b> investment fees and taxes.	2.70% p.a. 3.23% p.a. 3.40% p.a.	5-year 7-year 10-year  These returns are calculated <b>after</b> investment fees and taxes.	4.32% p.a. 5.68% p.a. 6.03% p.a.	5-year 7-year 10-year  These returns are calculated <b>after</b> investment fees and taxes.	10.04% p.a. 9.45% p.a. 6.54% p.a.									

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

Note: Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments. Returns have been rounded to two decimal places.

Australian Shares <sup>^</sup>		Overseas Shares <sup>^</sup>	
<ul style="list-style-type: none"> <li>To outperform the return of the Australian share market (as measured by the S&amp;P/ASX 300 Accumulation Index).</li> <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 10-year periods.</li> </ul>		<ul style="list-style-type: none"> <li>To outperform the return of the overseas share market (as measured by the MSCI World ex-Australia Index in \$A).</li> <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 10-year periods.</li> </ul>	
100% Australian shares		100% overseas shares	
High		High	
5-year	11.79% p.a.	5-year	17.08% p.a.
7-year	9.25% p.a.	7-year	12.80% p.a.
10-year	4.36% p.a.	10-year	6.86% p.a.
These returns are calculated <b>after</b> investment fees and taxes.		These returns are calculated <b>after</b> investment fees and taxes.	

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## Direct Investment option

CareSuper's Direct Investment option allows eligible 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.

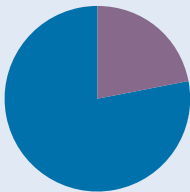
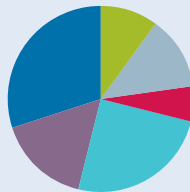
With a wide variety of available investments, sophisticated online access and up-to-date market information, the Direct Investment option gives members the flexibility to become more actively involved in managing their super. For more information visit [caresuper.com.au/Dloption](https://caresuper.com.au/Dloption).



Refer to the CareSuper Investment Guide for more information on all of the investment options. For information relating to fees, read **Fees and other costs**. For all pension investments information read the **CareSuper Pension Guide**. These documents are available on our website at [caresuper.com.au](https://caresuper.com.au).

# Pension investment options as at 30 June 2017

## Managed options

	Capital Guaranteed <sup>#</sup>	Capital Stable																														
<b>Investment objectives</b>	<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 0.5% per year over rolling 10-year periods.</li> <li>To provide a full guarantee on capital and credited accrued interest.</li> <li>To provide 'smooth' returns which iron out market fluctuations and are never negative.</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 10-year periods.</li> <li>To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.</li> </ul>																														
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<b>Risk level</b>	Very low	Low to medium																														
<b>Returns history</b> Compound average returns p.a. for period to 30 June 2017.	5-year 2.16% p.a. 7-year 2.36% p.a. 10-year 2.99% p.a. These returns are calculated <b>after</b> investment fees and taxes.	5-year 7.93% p.a. 7-year 7.78% p.a. 10-year 6.12% p.a. These returns are calculated <b>after</b> investment fees and taxes.																														

<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.

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Conservative Balanced			Balanced																																												
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## Pension investment options as at 30 June 2017 continued

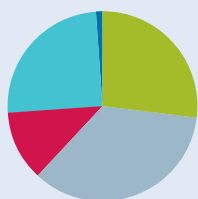
### Managed options (continued)

	Sustainable Balanced	Alternative Growth																																							
<b>Investment objectives</b>	<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 10-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 3.5% per year over rolling 10-year periods.</li> <li>To produce a less volatile return profile than the Growth option by investing a significant component of the portfolio in alternative investments.</li> </ul>																																							
<b>Asset classes</b> Benchmarks and ranges as at 30 June 2017.	<table> <thead> <tr> <th></th><th>Benchmark at 30/06/2017 %</th><th>Range %</th></tr> </thead> <tbody> <tr> <td>Australian shares</td><td>21</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>30</td><td>0–55</td></tr> <tr> <td>Fixed interest</td><td>6</td><td>5–35</td></tr> <tr> <td>Cash</td><td>5</td><td>0–30</td></tr> </tbody> </table>		Benchmark at 30/06/2017 %	Range %	Australian shares	21	10–40	Overseas shares	26	10–40	Property	12	0–25	Alternatives	30	0–55	Fixed interest	6	5–35	Cash	5	0–30	<table> <thead> <tr> <th></th><th>Benchmark at 30/06/2017 %</th><th>Range %</th></tr> </thead> <tbody> <tr> <td>Australian shares</td><td>19</td><td>10–40</td></tr> <tr> <td>Overseas shares</td><td>24</td><td>10–40</td></tr> <tr> <td>Property</td><td>12</td><td>0–25</td></tr> <tr> <td>Alternatives</td><td>44</td><td>10–85</td></tr> <tr> <td>Cash</td><td>1</td><td>0–20</td></tr> </tbody> </table>		Benchmark at 30/06/2017 %	Range %	Australian shares	19	10–40	Overseas shares	24	10–40	Property	12	0–25	Alternatives	44	10–85	Cash	1	0–20
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<b>Risk level</b>	Medium to high	Medium to high																																							
<b>Returns history</b> Compound average returns p.a. for period to 30 June 2017.	5-year 11.45% p.a. 7-year 10.16% p.a. 10-year 5.92% p.a. These returns are calculated <b>after</b> investment fees and taxes.	5-year 12.14% p.a. 7-year 10.79% p.a. 10-year 6.91% p.a. These returns are calculated <b>after</b> investment fees and taxes.																																							

Note: Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments. 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 10-year periods.
- To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.



	Benchmark at 30/06/2017 %	Range %
● Australian shares	27	15–50
● Overseas shares	35	15–50
● Property	12	0–25
● Alternatives	25	0–70
● Cash	1	0–20

## High

5-year	13.91% p.a.
7-year	11.58% p.a.
10-year	6.67% p.a.

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

Note: Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments. Returns have been rounded to two decimal places.



## Did you know?

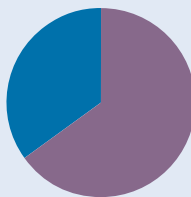
You can access financial advice about selecting an investment strategy that suits your objectives over the phone at no extra cost, by calling 1300 664 781.

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 2017 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 outperform the return of the Australian cash market (as measured by the UBS Bank Bill Index).</li><li>To achieve returns after tax and fees at least in line with the inflation rate (as measured by the CPI) over rolling 10-year periods.</li></ul>		<ul style="list-style-type: none"><li>To outperform the return of a mix of the Australian and overseas bond markets (as measured by a benchmark consisting of the Bloomberg AusBond Composite Bond Index and the Barclays Capital Global Aggregate Index [hedged]).</li><li>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 0.5% per year over rolling 10-year periods.</li></ul>		<ul style="list-style-type: none"><li>To outperform the return of the Australian direct property market (as measured by the Mercer Australian Unlisted Property Index [pre-tax]).</li><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 10-year periods.</li></ul>							
Asset classes  Benchmarks and ranges as at 30 June 2017.	100% cash or short-term money market instruments		<div><p><b>Benchmark at 30/06/2017 % 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  Compound average returns p.a. for period to 30 June 2017.	5-year 3.14% p.a.	7-year 3.78% p.a.	10-year 4.00% p.a.	5-year 5.01% p.a.	7-year 6.52% p.a.	10-year 6.94% p.a.						
	These returns are calculated <b>after</b> investment fees and taxes.		These returns are calculated <b>after</b> investment fees and taxes.		These returns are calculated <b>after</b> investment fees and taxes.							

<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 <sup>^</sup>		Overseas Shares <sup>^</sup>	
<ul style="list-style-type: none"> <li>To outperform the return of the Australian share market as measured by the S&amp;P/ASX 300 Accumulation Index).</li> <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 10-year periods.</li> </ul>		<ul style="list-style-type: none"> <li>To outperform the return of the overseas share market (as measured by the MSCI World ex-Australia Index in \$A).</li> <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 10-year periods.</li> </ul>	
100% Australian shares		100% overseas shares	
Very high		High	
5-year	13.38% p.a.	5-year	18.89% p.a.
7-year	10.57% p.a.	7-year	14.37% p.a.
10-year	4.94% p.a.	10-year	7.65% p.a.
These returns are calculated <b>after</b> investment fees and taxes.		These returns are calculated <b>after</b> investment fees and taxes.	

## Direct Investment option

CareSuper's Direct Investment option allows eligible 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 members the flexibility to become more actively involved in managing their super.

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



# How we manage 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. These policies are reviewed on a regular basis.

CareSuper's assets are managed according to the investment strategy for each investment option that has specified 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 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 the aim of producing competitive returns while reducing 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 and assist the Fund with all investment matters including the selection of investment managers whose investment objectives must be consistent with the requirements of the Fund. Constraints applied to the managers are consistent with the objectives and philosophy of the Trustee.

## Investment risk

All investments have varying degrees of risk and can change in value. Risk can mean either a fall in the value of an investment, particularly over shorter periods, or an investment not meeting its investment objectives over the long term. When investing, some of the most significant risks are:

- Inflation
- Liquidity, and
- Financial loss.

For more information please see the **Investment Guide** or the **Pension Guide**.

## 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 fund or to cause the overall exposure to any asset class or combination of classes to breach the long-term strategic ranges.

## 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 where possible across the Australian and Overseas shares portfolios. CareSuper's voting history can be viewed on our website.

## Investment exposures

At 30 June 2017 the following investment managers held more than 5% of the Fund's assets.

<b>IFM Investors</b>	<b>9.48%</b>
- IFM Enhanced Index Equity Fund	5.66%
- IFM Australian Infrastructure	1.86%
- IFM Specialised Credit Fund	1.05%
- IFM Infrastructure Debt	0.48%
- IFM International Private Equity III	0.33%
- IFM International Private Equity II	0.04%
- IFM Australian Private Equity IV	0.04%
- IFM Australian Private Equity III	0.01%
- IFM International Private Equity I	0.01%
<b>Schroders Investment Management Australia</b>	<b>8.24%</b>
- Schroders Australian Equities	4.67%
- Schroders Global Dynamic Blend	3.57%
<b>Colonial First State</b>	<b>7.63%</b>
<b>MFS Investment Management</b>	<b>7.05%</b>

## Unit pricing

CareSuper uses unit prices to calculate and report members' superannuation balances and apply investment returns in relation to investments in a Managed or Asset Class option. Every CareSuper member's account balance information includes the number of units they own, as well as the latest sell price. A buy price is usually the price applied when contributions are made into an investment option, at which time a member's account will be allocated units at the buy price. A sell price is usually applied when money is withdrawn from an investment option, including withdrawals from accounts for investment switches and payments, insurance premiums and tax deducted directly from an account. The sell price is used to calculate account balances. To find out additional details about buy-sell spreads and how unit prices are calculated, please see the **Member Guide PDS** and **Investment Guide**, or read the **Pension Guide**.

## Investment strategy – reserves

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

- General Reserve, and
- Operational Risk Reserve.

## Reserve management

The Fund maintains a General Reserve that is reflective of the size of funds under management, the demographics of the member base and the perceived financial market conditions and liquidity risks. The Operational Risk Reserve is maintained to provide for the risks of operating a superannuation fund. The level of Operational Risk Reserve maintained is reflective of the size, complexity and business of the Fund (0.30% of net assets as at 30 June 2017). Reserves are formally reviewed on a quarterly basis.

These reserves are invested in a strategy appropriate to their time frame and risk profile which are reviewed annually by the Board. The General Reserve is invested as a combination of asset class exposures in line with the superannuation Balanced Option as well as interest bearing cash balances to maintain liquidity. The Operational Risk Reserve is invested in an investment exposure consistent with the aggregate asset allocation of the Fund's investments.

CareSuper's reserves over the last three years		% of fund net assets
2016/17	\$151,188,797	1.17%
2015/16*	\$122,262,815	1.10%
2014/15	\$94,919,144	0.92%

\* The 2015/16 reserves balance has been re-stated as required to comply with the application of the new Accounting Standard AASB1056 from 1 July 2016. Further information is provided in the 30 June 2017 financial statements available on CareSuper's website.

# Our approach to fees

CareSuper is a 'profit for members' fund committed to maximising members' retirement savings. Therefore, fees are structured only to cover costs, not to make a profit for shareholders.

CareSuper always aims to minimise investment fees, but we're also focused on achieving strong long-term returns, which have a significant impact on members' account balances. This combination of fees and investment returns is why we highlight the importance of 'net benefit'.

## CareSuper's net benefit outperformance

What matters more – fees or investment performance?

It's about getting the balance right. A strong net benefit performance can make a world of difference to your super balance.

Over 10 years, CareSuper's Balanced option returned \$26,000 more than the average net benefit of surveyed retail balanced options.

Earnings are over 1, 3, 5, 7 and 10 years as at 30 June 2017.



Past performance is not an indicator of future performance. Comparisons modelled by SuperRatings as at 30 June 2017, commissioned by CareSuper. Assumes a starting balance of \$50,000 and initial salary of \$50,000 and considers historical earnings and fees – excluding contribution, entry, exit and adviser fees. Compares the 10-year average difference in net benefit performance of CareSuper's Balanced option and the balanced options of 77 retail funds tracked by SuperRatings, with a 10-year performance history. Outcomes vary between funds. This information is general advice only. You should consider your investment objectives, financial situation and needs and read the product disclosure statement before making an investment decision.



## Find out more

For more information on the fees and costs associated with a CareSuper account, see [Fees and other costs](#), or read the [Pension Guide](#) if you're a pension member.



## Financial statements

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

CareSuper's financial statements can be viewed online at [caresuper.com.au/governance](https://caresuper.com.au/governance). For a printed copy of the financial statements, call the CareSuperLine on 1300 360 149.



### Go online

CareSuper's financial statement can be viewed online at [caresuper.com.au/governance](https://caresuper.com.au/governance).

# Information for members

## Enquiries and complaints

If you have a concern about your super or you experience a problem, rest assured we'll do our best to resolve it quickly and efficiently.

The Trustee has procedures in place to deal fairly with enquiries and complaints from members, employers and beneficiaries. We are committed to listening and trying to resolve matters within a reasonable timeframe – that is, no more than 90 days after we receive your complaint. (For privacy complaints, we will do our best to resolve your complaint within 30 days.)

If you would like to submit an enquiry or complaint, you can contact the Complaints Manager via the **'Contact us' section of our website**.

## Low account balance policy

The accounts of members who are uncontactable or inactive and with a balance up to \$6000 may be transferred to the ATO in April and October each year.

Members who are uncontactable, inactive or have unclaimed super, and have an account balance of over \$300, may be transferred to the eligible rollover fund. If you are transferred to CareSuper's eligible rollover fund, you will no longer be a member of CareSuper or have insurance cover through CareSuper. Different fees and costs apply to the eligible rollover fund, please contact AUSfund for details.

## Contact details for CareSuper's eligible rollover fund are:

AUSfund  
Locked bag 5132  
Parramatta NSW 2124  
Australia

**Phone:** 1300 361 798

**International Tel:** +61 3 9067 2525

**Email:** [admin@ausfund.com.au](mailto:admin@ausfund.com.au)

**Website:** [ausfund.com.au](http://ausfund.com.au)

## Temporary residents

CareSuper is required to pay the super of former temporary residents to the ATO if it has been more than 6 months since they departed Australia and their visa has expired or been cancelled.

The Trustee relies on relief from ASIC to the effect that it is not obliged to notify or give an exit statement to a non-resident in the above circumstances. Non-residents can apply to the Commissioner of Taxation to claim the unclaimed super under Division 3 of Part 3A of the *Superannuation Unclaimed Money and Lost Members* Act. Visit [ato.gov.au](http://ato.gov.au) for more information.





## Contact us

Here's how to get in touch.

### Super

**Call** CareSuperLine  
**1300 360 149**  
 Monday to Friday  
 8am to 8.5pm AEST

**Visit** [caresuper.com.au](https://caresuper.com.au)

**Email** [admin@caresuper.com.au](mailto: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](https://caresuper.com.au)

**Email** [pension@caresuper.com.au](mailto:pension@caresuper.com.au)

**Write** CareSuper Pension  
 Locked Bag 5042  
 Parramatta NSW 2124



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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