The great Australian property dream

Investment update

meet
CareSuper member
Kari Hunter
Welcome to
On the money

What’s so important about super?
Right now, your retirement income probably seems like a low priority compared to other things, such as saving for a house deposit, raising a family or paying for living expenses. But time does pass and your life will change. One day you will want (or need) to retire. That’s when the super you’re growing now will really help you. It will pay you an income when your employer stops, so you can live comfortably with a minimum of stress and worry.

We’ll keep doing everything we can at CareSuper to help you achieve a comfortable post-work lifestyle – but you may need to chip in a little too.

For example, did you hear about the 1 July super changes? Lower annual limits now apply to super contributions, meaning you won’t be able to ‘catch up’ on contributions just before retirement.

The good news? Super is actually designed for smaller contributions over a long period of time. See the big difference small changes can make at caresuper.com.au/sparechange and call us if you need any help understanding your contribution options.

Strong returns for members
I’m pleased to say that CareSuper has produced another year of strong investment performance across all Managed and Asset Class options. The Balanced option closed out the 2016/17 financial year with a return of 11.70%, after fees and taxes, which is an excellent result for members. Not only does this return exceed the investment objectives set for the Balanced option, it also outperforms other similar options, ranking in the top 25% in the annual SuperRatings survey.*

Take a look at page 4 to find out how all of our options performed, and some of the key factors that contributed to our strong returns.

Super, property and more
Also in this edition of On the Money, we look at the connection between super and property, the rules around super and casual and contract workers, and we provide some important super updates on page 8.

If you have any questions or feedback, get in touch by calling 1300 360 149.

Julie Lander | CareSuper CEO

* Source: SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2017.
It’s nearly tax time

Don’t leave things to the last minute.
Access a discounted online tax service for a same-day refund.*

*Conditions apply.

Go to caresuper.com.au/tax

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CareSuper
facebook.com/TheCareSuper
CareSuper closes 2016/17 with strong returns

After a year of rising financial markets, we’re pleased to report that all of CareSuper’s Managed and Asset Class options delivered positive results for members, with our Overseas Shares, Australian Shares, Growth and Balanced options performing particularly strongly.

The Balanced option (where most members have some of their super money invested) delivered a double-digit return of 11.70% for the 2016/17 financial year. This ranks in the top 25% of similar funds, a ranking CareSuper has consistently achieved for over 10 years.*

Which assets drove these returns?
The strongest performing asset classes throughout 2016/17 were overseas shares, Australian shares, property and infrastructure (infrastructure is part of the Alternatives asset class). Each of these asset classes provided excellent growth, closing out the financial year with double-digit returns.

Investing for the future

Over 2016/17, share markets around the world delivered results above longer term averages. Rising share prices are one of the many factors we’re keeping in mind as we move into 2017/18. Regardless of future market conditions, we’re confident that CareSuper is well-positioned to respond to a changing environment and make the most of new opportunities that arise.

While next year’s returns may be more subdued than the results we saw in 2016/17, you can depend on CareSuper to stick to its well-established approach to investing and continue to produce stable returns for your future.

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

Investment returns to 30 June 2017

<table>
<thead>
<tr>
<th>Investment options</th>
<th>1-year (%)</th>
<th>3-year (%) p.a.</th>
<th>5-year (%) p.a.</th>
<th>7-year (%) p.a.</th>
<th>10-year (%) p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Managed options</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Guaranteed</td>
<td>1.65</td>
<td>2.28</td>
<td>1.88</td>
<td>2.15</td>
<td>2.83</td>
</tr>
<tr>
<td>Capital Stable</td>
<td>6.86</td>
<td>5.69</td>
<td>7.09</td>
<td>6.90</td>
<td>5.39</td>
</tr>
<tr>
<td>Conservative Balanced</td>
<td>8.83</td>
<td>6.69</td>
<td>8.53</td>
<td>7.87</td>
<td>5.60</td>
</tr>
<tr>
<td><strong>Balanced</strong></td>
<td><strong>11.70</strong></td>
<td><strong>8.92</strong></td>
<td><strong>11.12</strong></td>
<td><strong>9.64</strong></td>
<td><strong>6.01</strong></td>
</tr>
<tr>
<td>Sustainable Balanced</td>
<td>9.36</td>
<td>7.80</td>
<td>10.31</td>
<td>8.95</td>
<td>5.21</td>
</tr>
<tr>
<td>Alternative Growth</td>
<td>11.54</td>
<td>8.86</td>
<td>11.20</td>
<td>9.76</td>
<td>6.25</td>
</tr>
<tr>
<td>Growth</td>
<td>13.69</td>
<td>9.40</td>
<td>12.62</td>
<td>10.35</td>
<td>5.98</td>
</tr>
<tr>
<td><strong>Asset Class options</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Secure</td>
<td>2.08</td>
<td>2.43</td>
<td>2.70</td>
<td>3.23</td>
<td>3.40</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>1.77</td>
<td>3.55</td>
<td>4.32</td>
<td>5.68</td>
<td>6.03</td>
</tr>
<tr>
<td>Direct Property</td>
<td>12.94</td>
<td>11.95</td>
<td>10.04</td>
<td>9.45</td>
<td>6.54</td>
</tr>
<tr>
<td>Australian Shares</td>
<td>14.72</td>
<td>7.34</td>
<td>11.79</td>
<td>9.25</td>
<td>4.36</td>
</tr>
<tr>
<td>Overseas Shares</td>
<td>18.56</td>
<td>12.47</td>
<td>17.08</td>
<td>12.80</td>
<td>6.86</td>
</tr>
</tbody>
</table>

*These returns are compound average annual returns.
The long-term returns shown in this table may differ from your actual returns. The returns shown 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 you should consider other factors before choosing a fund or changing your investments.
The great Australian property

As we all know, the property market in some parts of Australia has become almost out of reach, particularly for first home buyers. But did you know your super and property may already be connected?

If your super is invested in a diversified option like the Balanced option, you’re already in the property market. (CareSuper offers a Property option too.) While it’s certainly not the same as having doors, floors and a ceiling to call your own, it’s still an investment that could have long-term rewards when your super becomes an income stream to pay for things after you stop working. So, what’s the difference between investing in property on your own vs. through super?

<table>
<thead>
<tr>
<th>On your own</th>
<th>Through CareSuper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting in</td>
<td>No deposit required. Your super fund pools your money with other members and invests into wholesale property investments on your behalf.</td>
</tr>
<tr>
<td>What type of property?</td>
<td>A range of commercial, retail and industrial properties, which are held through unlisted property trusts and can’t easily be accessed by individual investors.</td>
</tr>
<tr>
<td>Property goals</td>
<td>As a wholesale property investor, CareSuper focuses more on income than capital growth. We look for commercial opportunities with strong investment potential.</td>
</tr>
<tr>
<td>Approach</td>
<td>We appoint specialist investment managers with expertise in managing property portfolios across a range of different sectors and regions.</td>
</tr>
<tr>
<td>Downsides</td>
<td>It’s an indirect investment, so you can’t necessarily see, own (or live in!) the properties you’re invested in through your super.</td>
</tr>
<tr>
<td>Upside</td>
<td>All the administration and decision-making is taken care of. Plus, your investment is spread across a range of commercial, retail and industrial real estate, which diversifies your risk and adds a layer of protection to your returns.</td>
</tr>
</tbody>
</table>
Have you ever taken one look at your super statement and thought it was all just a bit too hard?

To help you make sense of things, we’ve broken down a few key parts of an example statement, so you can get the most out of your super.

(Figures and images are for illustrative purposes only and do not reflect your actual CareSuper account.)

Your balance

Did your super grow from CareSuper’s positive investment performance over the financial year? Historically, CareSuper has achieved strong net returns for members. (To compare our performance go to caresuper.com.au/comparemysuper.)

If your balance has gone down and it’s not clear why, we can help.

Just call 1300 360 149.

Your account overview for 2016/17:

- Your opening balance as at 1 July 2016: $15,000
- Closing balance as at 30 June 2017: $20,000

Your contributions

If you haven’t made any extra contributions to super, you won’t see this field on your statement. Could you make a voluntary contribution next year? The earlier you start, the longer your super has to grow.

See the difference a few extra dollars could make at caresuper.com.au/sparechange.

Your employer

These are the contributions your employer made to your super in 2016/17. Is it what you expected? It’s a good idea to check the employer transactions on your statement against your payslips, to make sure you haven’t been underpaid super.
Your investments

This donut shows you how your super was invested at the end of the financial year. You’ll probably see a variety of colours in your pie chart. That’s because we diversify your money across a range of investments to protect you against risk and maximise returns from different types of investments. You can mix and match any of CareSuper’s 12 investment options, but it could be worth seeking advice first, to make sure you’ve got all the facts.


Your insurance

If you joined via your employer, you probably have automatic death and total & permanent (TPD) cover through CareSuper.

This cover could pay for your debts if you pass away, or help you if you become permanently disabled.

It’s important to check that your cover is right for you so you’re not under- or over-insured. You are paying premiums for any cover, so know what you’re paying for.

For more, go to caresuper.com.au/insurance or call us on 1300 360 149.

How your assets were allocated at 30 June 2017

<table>
<thead>
<tr>
<th>Alternative Assets</th>
<th>Fixed Interest</th>
<th>Australian Shares</th>
<th>Cash</th>
<th>Overseas Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.00%</td>
<td>6.00%</td>
<td>21.00%</td>
<td>5.00%</td>
<td>26.00%</td>
</tr>
</tbody>
</table>

Your beneficiaries

You’ve nominated the following beneficiaries to receive your super when you die.

Beneficiary type: Binding

<table>
<thead>
<tr>
<th>Beneficiary</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sam Sample</td>
<td>50%</td>
</tr>
<tr>
<td>Sarah Sample</td>
<td>50%</td>
</tr>
</tbody>
</table>

To find out how to change or cancel your nominations go to caresuper.com.au/beneficiaries.

Your beneficiaries

If this section is blank on your statement, it means that CareSuper will be responsible for deciding who gets your super if you pass away. We’ll make the best decision we can based on your situation and the law, but wouldn’t you rather make the call?

To control who gets your super if you die, you have to complete the right paperwork. (Even a will generally doesn’t cover super.) One way to ensure your super goes where you want is to make a binding nomination. (Make sure you follow the rules closely so it’s valid.)

Find out more at caresuper.com.au/beneficiaries.
super update

Unit pricing correction

We recently corrected a temporary unit pricing error that affected some of our members’ accounts.

What happened?
Between 1 March 2017 and 2 May 2017 the unit prices for nine of our investment options were overstated as the result of a valuation error by one of CareSuper’s external service providers.
If you were in one or more of the affected options, your account balance would have been overstated during this period and any account transactions would have been processed using an overstated price.

How did CareSuper correct the error?
CareSuper has strong processes in place to monitor operational matters, so in the rare event that an error does occur, we can identify and fix it with minimum impact for members.
We updated the affected prices, along with any transactions that occurred over this period. Members’ accounts were restored to the same financial position they would have been in if the error hadn’t occurred, and the affected investment options were adjusted back to their correct value.

Which investment options were affected?
- Capital Stable
- Conservative Balanced
- Balanced
- Sustainable Balanced
- Alternative Growth
- Growth
- Direct Property
- Australian Shares
- Overseas Shares

Upcoming changes to fee disclosure

From 1 October 2017, super funds are required to change the way fees are displayed. From this date, you will see some changes to the fee tables in our product disclosure statements and on our website.

Are CareSuper’s fees changing?
No. The new requirements won’t have any impact on your account or your returns. We are not increasing our existing fees or introducing any new fees.
We will simply be changing the way we display some of the items that make up our investment fees and indirect cost ratios (ICRs). (ICRs are costs associated with managing investments; they are not deducted directly from your account.)
From 1 October 2017, some underlying costs will be re-classified according to new Federal Government regulations.

How does unit pricing work?
We use unit prices to calculate and report on members’ account balances. When you invest in one of our Managed or Asset Class options, you’re allocated ‘units’ in that option. Unit prices change over time, going up or down depending on investment performance. Your account balance will reflect the weekly unit price as well as the number of units you own. Find out more about how unit prices work at caresuper.com.au/unitpricing.

Find out more
We’ll update our website with more information soon. Visit caresuper.com.au/feechanges2017 to stay up to date.
Does super cover casuals & contractors?

With the rise of the gig economy, how, when and why we work is evolving. Is super keeping pace?

We answer two common FAQs.

**‘As a casual employee, do I get super?’**

If you’re over 18 and earning more than $450 (before tax) from a single employer in a calendar month, the simple answer is ‘yes’.

If you don’t qualify, all is not lost. Keep in mind:

1. You can make voluntary contributions to super to keep things ticking along.
   Go to caresuper.com.au/maximisesuper to learn more.

2. If your hours change in the future, say over a holiday period, you might clock up enough to qualify. Keep an eye on this to make sure your employer pays.

**‘As a contractor, do I have to pay my own super?’**

As a contractor with your own Australian Business Number (ABN), you are generally responsible for paying your own super.

In some situations, however, you may be considered an ‘employee for super purposes’ by the Australian Taxation Office (ATO). If this is you, your employer is legally required to make super contributions for you.

Your contract should specify your arrangement, and it’s your employer’s responsibility to check this and get it right.


A super fund for life

Changing work arrangements doesn’t have to mean changing super. In fact, picking one super fund that works for you and sticking with it means one less thing to worry about.

You can stay with CareSuper as you advance, move sideways and create your own waves in the workplace.

Just hand your employer a completed Choice of fund form from caresuper.com.au/choice to stay with CareSuper.
What sets CareSuper apart?

We believe in profit for members

We need money so we can provide you with quality products and services, but beyond that, the profits go back to you. Unlike some other types of super funds, we don’t pay dividends to shareholders or commissions to financial planners. That’s what ‘profit for members’ is all about.

We believe in value for money

Lower fees don’t always equal value for money. (In fact, it can mean lower returns too.)

Sometimes, it’s how you spend and invest that counts.

At CareSuper, we look at the big picture – the ‘net benefit’. We ask: ‘After fees and costs are taken out, does your investment stack up? Are you better off at the end of the day?’

According to Money magazine, we’re the ‘best value for money’ fund two years in a row.

We believe in protecting your super

Super funds invest differently – and some do it better than others.

At CareSuper, our investment philosophy focuses on protecting your super when markets are particularly unpredictable, while always aiming to achieve maximum returns for you.

We have a long track record of delivering consistent returns for our members. Just see our results on page 4.

Staying with CareSuper

Chances are, you’re with CareSuper because we’re the fund your employer chose for you.

So, did they make the right call?

Here are a few of the things that we believe in, which guide the way we take care of your super. Are they important to you too?

To learn more about what we can offer you, like insurance, online calculators and extra benefits, go to caresuper.com.au.

And to keep CareSuper as your super fund for life, simply choose us if you change jobs. Go to caresuper.com.au/choice for a form.

But why take someone else’s word for it?

meet
CareSuper member
Kari Hunter

How long have you been with CareSuper?
I joined CareSuper a year and a half ago after advice from a financial planner. They suggested moving to an industry super fund as a way of reducing fees, and when I changed jobs I decided to change super too. My new employer’s default fund was CareSuper, and after reviewing its performance against other funds, I decided to shift.

What made you take an interest in your super?
I put off dealing with super for a long time as I found it could be difficult to understand. But then my parents retired and the importance of thinking about and preparing for retirement became especially clear to me.

When I moved my super to CareSuper I spoke to a very patient financial planner to figure out what was right for me. And the support I’ve continued to receive from CareSuper has been exceptional.

How has CareSuper helped you?
My planner explained the benefits of consolidating super and helped me think about my insurance cover through super. I’d been a bit slow to add my five-year-old son into my financial planning considerations, but now that I’ve reviewed my insurance I know he’ll be taken care of if anything happens.

Overall, I’ve realised the need to be proactive and ask for assistance and advice to help plan for the future.

What would you tell your younger self about super?
I’d tell her to not just assume an employer’s default super fund is satisfactory. I’d tell her to compare funds and look at things like fees and investment performance and other available benefits.

How do you think CareSuper will support you in the future?
So far, they’ve made it easy to understand and access the right resources when I’ve needed them, so I really value that.

When I retire, I look forward to travelling and indulging in the kinds of activities I don’t seem to have time for now between work and a young family!

what’s your story?
If you’d like to share your story with us, please email us at social@caresuper.com.au.
We can search the Australian Taxation Office’s database for your other super accounts and get the results within seconds.

Visit caresuper.com.au/supermatch or call 1300 360 149.

Disclaimer: This magazine has been prepared for general information purposes only and not as specific advice to any particular person. Any advice contained in this magazine does not take into account any particular person’s objectives, financial situation or needs and you should read the applicable product disclosure statement. You should consider the appropriateness of this advice, having regard to your own particular objectives, financial situation and needs before acting on any advice. You need to apply the concepts to your own situation before making an investment decision.

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