

On the *money*

Issue 1, 2018

A super way to
save for your
first home

Boosting your
super with
almost zero effort

Are cryptocurrencies
a good fit for super?



meet

CareSuper member
Cheyne Oxford

Welcome to On the *money*



In this issue, we look at the power of long-term goal setting and how taking smart, positive steps consistently over time can be key to success.

This approach has certainly helped us become one of the top three performing funds over the last 10 years* – read more about our investment performance on page 6.

We also look at the rise of cryptocurrencies on page 4, and how question marks around their long-term sustainability mean they are not aligned with CareSuper's investment philosophy at this time.

Do your goals include being more productive or better with money? Make sure you read our pieces on beating procrastination (page 10) and how to get financially fit (page 9). Plus, if your goal is to buy your first home, we answer some common questions about the First Home Super Saver Scheme on page 8.

If you have any questions for us, send us a message on Facebook or give us a call on **1300 360 149**.

I hope you enjoy this issue. Until next time.

Julie Lander

Julie Lander | CareSuper CEO

*According to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, December 2017. CareSuper's Balanced option was ranked #3 out of all the funds surveyed over a 10-year period.



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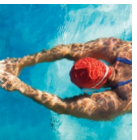


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Are cryptocurrencies a good fit for super?

Many virtual currencies, such as Bitcoin, have emerged over the last 10 years, but just how safe are they as a super investment?

While some retirement funds in the United States have taken the bold step of investing directly in major cryptocurrencies, so far, no Australian super funds have followed suit. Is CareSuper considering it? The short answer is no – and here's why:



Cryptocurrency values are uncertain

While they are actively traded, virtual currencies are extremely volatile, meaning their value can plunge – or skyrocket – based on things like popularity or ease of trading.

Unlike traditional investments where we understand what the risk and return drivers are, with cryptocurrencies these are currently not well known, and their value seems to be based on what others are willing to pay for them. So, despite their growing popularity, there are still question marks over their long-term sustainability.

The lack of information and substance to virtual currencies is one of the reasons CareSuper does not invest directly in them. But we will continue to monitor virtual currencies and their 'Blockchain' technology for any future investment opportunities and keep you posted.

We're focused on getting you future-ready

Remember that super is about saving for the future, so the goal is steady and consistent growth to ensure you've got a reliable income later on. Investing in cryptocurrencies like Bitcoin is a very risky way to go about this. And at the end of the day, we won't take such big risks with your hard-earned money.

Check out our long-term returns on page 6 to see how we've been delivering strong returns for you over time.



Want to learn more about our investment options?

Go to caresuper.com.au/investmentoptions



What is cryptocurrency?

Cryptocurrency is digital money that uses encryption to secure and validate transactions. And you've likely heard about the most popular type – Bitcoin.

Since Bitcoin, there's been an explosion of cryptocurrencies and there are now more than 1000 available on the market. Most actually started in social media or online gaming communities. Users can send and receive 'coins' using a public ledger called 'Blockchain', which records all transactions.



Investment update

Suzanne Branton
Chief Investment Officer

It's been an interesting few months in investment markets. After a strong December quarter characterised by rising share markets around the world, we've seen more volatility in the first few months of 2018.

In the December quarter our more defensive options, which are designed for members looking for less volatility, did not receive as big a boost from shares. That's to be expected. We don't rely

on shares to do all the heavy lifting during strong markets. Instead, we diversify our investing across a range of different assets that we believe will deliver strong returns over time.

These options generally still outperformed their individual objectives as well as many other similar options on the market.* All while aiming to provide you with greater protection in more volatile conditions.



For regular market updates sent straight to your inbox, simply update your email address in **MemberOnline**

Investment returns at 31 December 2017

Investment options	1-year (%)	Long-term annual returns ^			
		3-year (% p.a.)	5-year (% p.a.)	7-year (% p.a.)	10-year (% p.a.)
Managed options					
Capital Guaranteed	1.64	2.17	1.94	2.04	2.57
Capital Stable	6.69	5.69	6.71	6.68	5.41
Conservative Balanced	8.26	6.82	8.07	7.66	5.72
Balanced	11.28	9.24	10.73	9.42	6.19
Sustainable Balanced	8.22	7.70	9.78	8.66	5.54
Alternative Growth	10.57	9.39	10.67	9.43	6.35
Growth	13.11	9.99	12.12	10.20	6.34
Asset Class options					
Capital Secure	1.98	2.33	2.54	3.01	3.25
Fixed Interest	3.11	2.78	3.71	5.39	5.85
Direct Property	12.44	12.32	10.79	9.69	6.22
Australian Shares	13.96	9.94	10.95	9.01	4.98
Overseas Shares	18.10	11.86	16.59	13.02	7.80

^ 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.

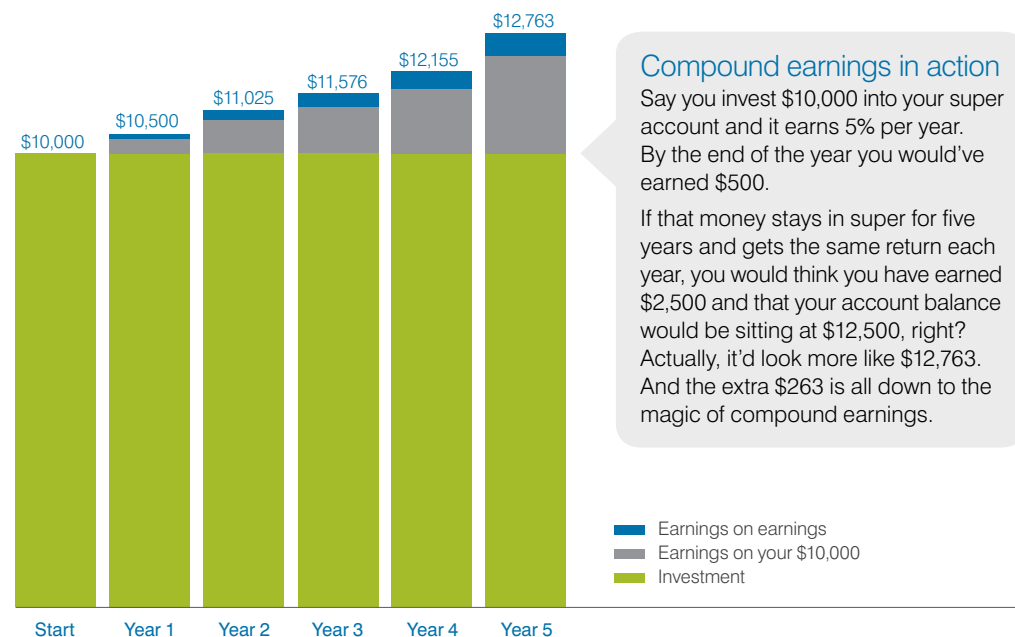
* According to the SuperRatings Fund Crediting Rate Survey – December 2017.

Boosting your super balance with almost zero effort



The opportunity to grow your super with compound interest is one of the best things about super. And it's got less to do with how much you contribute and more to do with how early you start.

How does it work? If your super gets positive returns, you generate earnings on that money. Then CareSuper reinvests your money and earnings and any future positive returns help grow this money more. So you're earning money off your earnings, as well as your original investment.



How can I take advantage of it?

Make the most of having time on your side and contribute while you're young. Make sure your employer is making contributions for you and try to add extra yourself wherever possible.



Find out how to contribute to your super at caresuper.com.au/maximisesuper

The example uses a mathematical calculation to demonstrate the compounding effect. As it is illustrative, there is no guarantee that the amounts of the contributions and earning rate referred to in the example will be achieved, and different outcomes will eventuate with fluctuating earnings and contribution rates.

A super way to save for your first home



There's been a lot of talk about first homebuyers lately – from smashed avocados through to everyone's favourite subject, housing affordability. It's no secret that the majority of first home buyers need all the help they can get to save a deposit in today's property market.

Enter the First Home Super Saver Scheme (FHSSS).

What's the deal?

Compared to 'non-super' savings accounts, super is taxed favourably. The FHSSS aims to help buyers make the most of this by letting you save part of your house deposit inside super. If you're over 18 and haven't owned property in Australia before, you may qualify for this offer.

How does it work?

From 1 July 2018, if eligible, you'll be able to claim voluntary contributions you've made to super of up to \$15,000 per year, and \$30,000 in total, since 1 July 2017. When ready to purchase, you can then apply to withdraw the funds via the ATO, which is responsible for assessing and approving FHSSS applications.

While it may not be suitable for everyone, the scheme could be worth investigating further to help you on your way to home ownership.



Want more info? Go to ato.gov.au to see if the scheme is right for you

How to get financially fit

Just like training for a marathon, your financial fitness depends on making positive steps in the right direction. The experts at industry super fund-owned bank, ME, have several tips to get you started.

- 1 Weigh up your situation**
Track your income and what you spend your money on. Can you cut down on a regular expense or increase your income? This may not be as impossible as you think. In fact, a recent study by ME showed that 75% of surveyed workers who asked for a pay rise saw results.*
- 2 Set goals**
Next, work out what your priorities are. Write down your goals, being specific and realistic about what you want to achieve. Know exactly how much you want to save and by when.
- 3 Get the most out of your savings**
Opening a dedicated high-interest savings account or contributing extra to super can get your money working harder for you. A little now could be worth a lot down the track.
- 4 Get a trainer**
Engage with your bank, super fund or even a financial planner to help you achieve peak fitness. The right support and products could be the difference when it comes to achieving your financial goals.



* The 'ME show me the money!' survey was completed by a nationally representative sample of 1000 working Australians in September 2017. This article was brought to you in partnership with ME (Members Equity Bank Limited ABN 56 070 887 679 Australian Credit Licence 229500) – a licensed bank owned by a number of Australian industry super funds.

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Need a procrastination intervention?

Does your 'to-do' list often double as an invitation to focus on anything and everything except what you're supposed to be doing? Don't stress, you're not alone. A quick Google search suggests that 'stop procrastinating' is one of the world's most popular goals.

Want a productivity boost?

Try these for starters:

- Break your list down into a series of manageable tasks
- Start with the jobs that take minimal effort to gain momentum
- Motivate (or bribe) yourself with rewards as you progress through the list – a sweet deal is a good deal!

Need an easy task to get started?

Jump online and make sure your super is in order. Tasks like consolidating your super, updating your email in MemberOnline, or checking how much insurance you have only take minutes.

➔ [Go to caresuper.com.au/login](https://caresuper.com.au/login)



Meet our members

lifestyle

'We're thinking seriously about how to set ourselves up for the future'

With a new house in Maroubra and a French bulldog to look after, Cheyne Oxford understands the importance of getting his finances in order.

That's why he's made the switch to CareSuper.

'I'd previously been recommended retail funds. But it was interesting to see how my super balance in a retail fund compared to the balance of my partner, who was with an industry fund. There was a considerable difference.'

A new role as Marketing Manager at accident replacement vehicle company, Right2Drive, was the prompt Cheyne needed to reassess his super situation.

'I was interested in joining an industry fund after reading about their benefits in comparison to retail funds, and a colleague recommended CareSuper to me. It felt like CareSuper had a genuine interest in my financial wellbeing, which is one of the reasons I joined.'

This kind of integrity is very important to Cheyne both in his choice of fund and his work.

'I always find it rewarding to work with brands that genuinely help people, which is why I joined

Right2Drive. Knowing I'm helping people become more aware about their right to a replacement car if they're not at fault in an accident is wonderful,' he says. 'I have to say, it's one of the best career moves I've made.'

As for what's next on the agenda...

'This year's a big one, as my partner and I get married in November,' Cheyne says. 'It means so much to us that so many people got behind the yes vote to make same-sex marriage a reality, and we can't wait to share our special day surrounded by our loved ones.'

'We're thinking seriously about our futures together,' he adds, 'and CareSuper makes me feel confident I'll be in a better position for my retirement.'

what's your story?

If you'd like to share your story with us, please email us at social@caresuper.com.au

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