5 steps to creating a brighter future

meet
CareSuper member
Julie Baecher

Investment update
Welcome to
Super & You

What’s so important about super?
At CareSuper, we believe everyone deserves a happy and comfortable life at the end of their working years. Super plays an essential role in achieving this.

We want to be the super fund you partner with for life, and we aim to bring you the products, support and services you need to make the most of your super now so you can truly enjoy your future. Learn what sets CareSuper apart on page 10.

What’s changed about super?
You may be aware that some of the rules around super changed on 1 July. Lower annual limits for concessional contributions (employer and salary sacrifice) and non-concessional contributions (after tax payments) now apply.

If you’re not actively planning for retirement yet, it’s more important than ever to start considering your options. Could you begin making voluntary contributions now? It’s often more manageable to grow your super over time, and it means that you won’t have to navigate lump sum contribution restrictions right before retirement.

If you’re worried you’ve left things too late, get in touch with us. We can explain the different ways you can contribute to super, because it’s likely there’s an option that suits you best, both in terms of convenience and tax-effectiveness. For example, under the new rules there is more generous access to tax offsets for personal contributions and spouse contributions.

And for extra help, you can access financial planning through your CareSuper membership. We’ve explained how to do this in this magazine.

Strong returns for members
I’m pleased to be able 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 pages 4 and 5 to find out how all of our options performed, and some of the key factors that contributed to our strong returns.

Creating a brighter future
In this edition of Super & You we explore the steps you can take to create the life you want after work, and look at the subject of involuntary retirement, which affects a significant number of Australians. Plus, on page 11, we meet one of our members.

We hope you find this magazine informative and helpful. And, as always, if you have any questions or feedback, we encourage you to contact us on 1300 360 149.

Julie Lander | CareSuper CEO

* Source: SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2017.
Did you know your eligibility to make certain types of super contributions may depend on your total super balance?

If you reach certain limits by 30 June, there will be restrictions on the types and amounts of contributions you can make in the following financial year.

We’ve explained things at caresuper.com.au/knowyourlimits.
Suzanne Branton  
Executive Manager – Investments

Investment update

CareSuper closes 2016/17 year 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.

Among CareSuper’s Managed options, our Growth, Balanced and Alternative Growth options delivered the strongest returns, while our Overseas Shares and Australian Shares were the highest-performing Asset Class options.

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.*

While this strong one-year return is a great boost for your super in the short term, it’s important to look at these figures in the context of CareSuper’s longer term performance and investment philosophy.

The Balanced option delivered a double-digit return of 11.70% for the 2016/17 financial year.

Superannuation 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>Managed options</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>
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<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>
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<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>
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<tr>
<td>Balanced</td>
<td>11.70</td>
<td>8.92</td>
<td>11.12</td>
<td>9.64</td>
<td>6.01</td>
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<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>
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<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>
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<tr>
<td>Asset Class options</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>
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<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>
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<td>Direct Property</td>
<td>12.94</td>
<td>11.95</td>
<td>10.04</td>
<td>9.45</td>
<td>6.54</td>
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<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>
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<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.
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.

The fact that returns came from a variety of sources highlights the importance of diversifying investments across asset classes. This helps us make the most of different investment opportunities over time, which can help us produce more stable returns.

How did low interest rates affect investment returns?

Members invested in lower risk options (especially those which invest heavily in cash and fixed interest investments) would have felt the impact of record low interest rates over the 2016/17 financial year. Despite this, the returns of CareSuper’s lower-risk options compare favourably, considering the Australian cash rate was 1.5% through 2016/17, and the Australian fixed interest market (or bond market) returned much less, at only 0.25%. This is reflected in the returns of the Capital Guaranteed, Capital Secure and Fixed Interest options, which invest mainly in these assets.

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. Despite the current positive indicators, like low unemployment, low inflation and strong investor confidence, other factors, such as high levels of government and household debt, combined with political tensions in Europe, the Middle East and Asia, suggest that a cautious approach – such as CareSuper’s investment philosophy – could be a prudent one.

Investing is always subject to uncertainty and risk, even when markets are strong, so it’s important to have realistic expectations about the level of future returns.

As always, members should focus on the long-term return objectives of the options in which they’re invested, and compare long-term results to those objectives.

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. And remember – our approach to investing is designed to protect members when challenges arise.

* Source: SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2017.
* Source: Bloomberg AusBond Composite 0+ Years Index.
5 steps to creating a brighter future

It’s time to get proactive about creating the life you want after work. Consider these five steps for a better future, starting today.

1. Imagine your future life
   Think about where you will live. Can you imagine spending your days growing vegetables in your garden, dirt under your fingernails? Maybe you picture yourself lying on a beach somewhere, sand exfoliating your toes, your (smaller) home just a short drive away. Or perhaps you’re hoping for a house filled with wonderfully noisy grandchildren!

   Whatever you decide, it’s important to talk openly about your goals, whether that’s to a partner, or close family and friends. Assumptions are as easy to make as toast – it’s your job to enlighten your loved ones about your retirement choices, so everybody’s on the same page.

2. Come up with a plan
   When you start to make a mental list of your current expenses, it can get a little scary. You make it work with your salary and budget, but have you thought about how you’ll pay for these things when you retire and your salary stops?

   A financial planner* can help you make a comprehensive list of what your retirement living costs could look like and explore ways for future you to cover them. Remember, your future lifestyle could be quite different from your current one, and there are probably a few expenses that you can take off straight away – like travel costs to get to work!

   If you’re just starting to think about winding down and would prefer to do your own research first, try out CareSuper’s Income stream calculator for an estimate of what you could have in retirement based on your current situation. Go to caresuper.com.au/incomestream.

3. Downsize your debt
   Debt can be stressful at the best of times, let alone when you’re trying to enjoy your retirement. If you can manage it, try to pay off any credit cards or mortgage repayments while you’re still earning an income from work.

   If you can’t see yourself paying off your mortgage any time soon, consider downsizing. Not only could you end up with a smaller mortgage, but smaller utility and insurance bills, too.

   The Government’s MoneySmart website has a range of resources to help you manage debt. Go to moneysmart.gov.au for more.
4 Look after your health

When you’re busy juggling your career, family and social life, it’s easy to let your own wellbeing slide down your list of priorities. But it’s important to take care of yourself physically and mentally so that you can enjoy life to the fullest now and when you’re retired.

Don’t forget that through CareSuper you have access to insurance cover that could help protect you and your family if something goes wrong. To find out more go to caresuper.com.au/insurance.

5 Re-think your work

These days, retirement isn’t necessarily about quitting work at age 65 and then living a life of leisure. In fact, many workers now think of retirement as something that happens over time. This could mean going from full-time to part-time work, or working in a different capacity.

If you’ve reached your preservation age, you could consider a Transition to Retirement Pension, which would allow you to top up your income with some of your super. If you’d like to explore this option further go to caresuper.com.au/ttr.

Helping you retire successfully

At CareSuper we’ve helped thousands of members to fulfill their retirement dreams. If you’re interested in speaking with a financial planner* about your future, go to caresuper.com.au/advice to book a call-back online or call us on 1300 360 149, Monday to Friday, between 8am and 8pm (AEST).

* Financial advice is offered through CareSuper’s relationship with Industry Fund Services Limited (IFS), and is provided by an authorisation under the Australian financial services licence of IFS, ABN 54 007 016 195, AFSL 232514.
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.

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.

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 the new Federal Government regulations.

Find out more
We’ll update our website with more information soon. Visit caresuper.com.au/feechanges2017 to stay up to date.
Involuntary retirement: what you need to know

It’s part of human nature to be optimistic, which means it’s natural to assume you’ll be able to negotiate the end of your working career in a way that suits you. However, this isn’t always the case.

Expect the unexpected

For a significant number of Australians, retirement doesn’t happen when or how they want it to. While ‘retirement age’ is often considered to be 65 and 6 months (that’s when you can access the Age Pension), many people leave the workforce earlier for reasons outside their control.

In fact, according to a research report commissioned by the Australian Institute of Superannuation Trustees,* up to 40% of older Australians could be classified as involuntary retirees.

What forces involuntary retirement?

Poor health, or the need to care for a family member, are common reasons for an unplanned retirement. Redundancy also sees many people make an unexpected exit from the workforce. For some it’s a temporary setback, but for others, redundancy turns into involuntary retirement as they struggle to find further work.

Voluntary contributions

You can’t predict what lies ahead for your work or your health. However, adopting a ‘just in case’ approach can help you be better prepared for the unexpected. Making voluntary contributions to your super while you’re still working could partially offset any future loss of income from involuntary retirement. Plus, making contributions over time, rather than right before you intend to retire, will give your super more opportunity to benefit from compounding returns.

Make a plan

If you are concerned about involuntary retirement, consider discussing the subject with a financial planner.

CareSuper members have access to Industry Fund Services financial planners,^ who can tailor a plan to your situation and help give you peace of mind. They can also provide you with advice on what to do with a redundancy payment.

CareSuper’s Redundancy and your super fact sheet has more information about how to manage your super in this situation.


^Financial advice is offered through CareSuper’s relationship with Industry Fund Services Limited (IFS), and is provided by an authorisation under the Australian financial services licence of IFS, ABN 54 007 016 195, AFSL 232514.

To book an appointment call us on 1300 360 149 or go to caresuper.com.au/advice for more information.

Go to caresuper.com.au/redundancy.
A super fund for life

What sets CareSuper apart from other super funds?
We think it’s the way we care for you and your money. We like to see ourselves as a super fund you can partner with for life.

Here are a few of the things that guide the way we do business. Are they important to you too?

<table>
<thead>
<tr>
<th>Protecting your super</th>
<th>Value for money</th>
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<tbody>
<tr>
<td>Super funds don’t all invest and perform the same way. CareSuper has a long track record of delivering consistent returns for members that avoid the extreme highs and lows of the market. We always aim to maximise your returns, but we also understand the importance of smooth performance when you enter your retirement years. &gt; You can see the high rankings we’ve achieved for our investment performance at caresuper.com.au/awards.</td>
<td>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. In fact, we think it’s more important to 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. But why take their word for it? &gt; Compare us for yourself at caresuper.com.au/comparemysuper.</td>
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<tr>
<th>Caring for you</th>
<th>Expert help</th>
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<tbody>
<tr>
<td>Did you know your super might be caring for you now, as well as in the future? Through super, most members have some inbuilt insurance cover, which could protect you and your family. Hopefully, you’ll never have to draw on it, but if you do, we’ll be there to talk you and your family through the process. &gt; Check your statement to see if you have cover and learn more at caresuper.com.au/insurance. (Terms and conditions apply to insurance cover.)</td>
<td>Leading into retirement, there’s a lot to consider. A financial planner* who is familiar with working with CareSuper members can help you plan for the future, so you have peace of mind going forward. You can access different levels of advice through CareSuper, depending on your needs and goals. Plus, your membership fee already covers some of the advice on offer – so why not make the most of the help that’s on hand for you? &gt; Find out more at caresuper.com.au/advice.</td>
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</table>

Do you have feedback about CareSuper?
We’d love to hear from you at admin@caresuper.com.au or on 1300 360 149.

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^ Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments.
Tell us a little bit about your working life.
I joined Central Equity Group in 1978 as a receptionist (it later became Central Equity). I was 16 years old and this was my first job out of school. It's also been my only job for close to 40 years, making me Central Equity’s first and longest serving employee.

Since then, I’ve seen the company grow to be a very successful property development company with over 600 employees.

How has super changed in your lifetime?
Super wasn’t compulsory when I first started working – and I didn’t think about it at first, as it seemed too far away. But Central Equity chose CareSuper as its default fund from early on and has stayed with them ever since, meaning I’ve always been with CareSuper.

How have you interacted with CareSuper over the years?
CareSuper has held many seminars at my work over the years and I’ve attended them all. It’s where I first learnt about salary sacrificing. I think the seminars are helpful for young employees as well, to understand what they can do for their retirement early on.

My daughter also works at Central Equity and she has been salary sacrificing too because she understands how it’ll all add up for the future.

And how has CareSuper helped you personally with your super?
Along with helping me understand salary sacrifice, I’ve started speaking to a financial planner about my current financial situation and future needs. They’ve been very helpful in providing me with advice on how I can boost my super between now and my approaching retirement.

How do you imagine CareSuper will support you in the future?
I think CareSuper’s performed extremely well over the years and I’m excited about how my super’s growing. I’m confident I’ll get to enjoy the life I want once I’ve stopped working.

What are you looking forward to doing in retirement?
I’m looking forward to more golf games with my girlfriends. And I’m sure I’ll still find the time to run along the Yarra with my daughter, like we do on our lunch breaks now!

what’s your story?
If you’d like to share your story with us, please email us at social@caresuper.com.au.
Start your super search today

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.

get in touch

Call  CareSuperLine 1300 360 149
Visit  caresuper.com.au
Email  admin@caresuper.com.au
Write  CareSuper, Locked Bag 5087 Parramatta NSW 2124

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

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