

# Super & you

Issue 1, 2018

Are  
cryptocurrencies  
a good fit  
for super?

Get your  
savings to  
do more

Dig yourself  
out of debt

meet

CareSuper member  
Jason Robinson

# Welcome to Super & you



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 performance on page 5.

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.

At CareSuper, we believe the super system should work for everyone, no matter their situation. That's why we're supporting the 'Make Super Fair' campaign, which aims to give women and low-income earners a more financially secure retirement. More on this and tips for boosting your super in a one-income family on page 6.

When it comes to paying off a mortgage or contributing to super, how do you know what to prioritise when you have a bit of surplus cash? We unpack the benefits of possible strategies 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.

## Due for a holiday?

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ISinsured gives CareSuper members access to travel insurance policies at special rates.

So, you'll have more left over to make the most of your holiday.



For more information go to [caresuper.com.au/travel](https://caresuper.com.au/travel)

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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 – and will CareSuper be investing in them?

### What are cryptocurrencies?

Cryptocurrencies are digital money that use encryption to secure and validate transactions. There are over 1000 available on the market, and users send and receive 'coins' using a public ledger called 'Blockchain', which records all transactions.

### Are they valuable?

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.

In fact, unlike 'real' money that is backed by governments, digital currencies only have value based on what others are willing to pay for them. They may even become worthless! Even Bitcoin admits as much on their FAQ page.

### Will CareSuper invest?

In short, no. Given the lack of information, regulation and substance to virtual currencies, CareSuper does not invest directly in them. Unlike traditional investments where we understand what the risk and return drivers are, with cryptocurrencies these are currently not well known. And at the end of the day, we won't take such big risks with your money.

### What's our focus?

You. The goal of super is steady, consistent growth, so you have a reliable income later in life. Check out our returns on page 5 to see how we've been performing.



Want to learn more about our investment options?

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

## 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	Long-term annual returns ^				
	1-year (%)	3-year (% p.a.)	5-year (% p.a.)	7-year (% p.a.)	10-year (% p.a.)
<b>Managed options</b>					
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
<b>Balanced</b>	<b>11.28</b>	<b>9.24</b>	<b>10.73</b>	<b>9.42</b>	<b>6.19</b>
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
<b>Asset Class options</b>					
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.

# Boost your family's super with these overlooked tactics

Where's super on your list of to-do's? Crammed in there somewhere after 'mortgage repayments' and 'kid's education fund'? Even if it's dead last, there are still things you can do to grow your account with surprisingly little effort. And while you and your partner may have separate super accounts, you can still approach saving for your future as a power couple. Here's how.



## 1 Make a spouse contribution

This literally means boosting your partner's super by contributing to it, whether you are de facto or married. By adding to their super, you're ensuring both your super accounts keep growing. This can be particularly helpful if your other half spends time out of work or is self-employed and doesn't receive regular super from an employer. Plus, you could be eligible for a tax offset if your spouse earns up to \$40,000 per annum.

## 2 Split your super contributions

This means splitting up to 85% of your before tax contributions (like employer contributions and salary sacrifice), at the end of the financial year. Why would you do this? Say one of you takes time out of work to care for a child. You could split some of your contributions with them to make up for months of no super payments. That way, you're more evenly balancing your accounts, in case one of you retires before the other.



Growing your super together is a straightforward but powerful way of getting you closer to the future you want. All the 'how-to' info about spouse contributions and contribution splitting can be found at [caresuper.com.au/maximisesuper](https://caresuper.com.au/maximisesuper)

### did you know?



There's a super gender gap in Australia, and on average Aussie women retire with 47%\* less super than men. That's a difference of around \$85,000 in retirement – a huge gap for someone no longer earning a regular income.

The super contribution methods above are one way of working together to grow super, but it's also important to create a fairer super system overall so no one is disadvantaged.

That's why CareSuper supports the 'Make Super Fair' campaign, which aims to give low-income earners a more financially secure retirement.



Want to make super fair? Be counted at [makesuperfair.com.au](https://makesuperfair.com.au)

\* Association of Superannuation Funds of Australia (ASFA) 'Superannuation account balances by age and gender' (2015).



# Get your savings to do more

Being active with your savings isn't always clear cut. What's the best use for it? We weigh up the pros and cons of two possible choices.

## 1 Use an offset account and reduce your mortgage

What's an offset account, you ask? It's not technically part of your mortgage, but it's connected to it – kind of like you connect your everyday and savings accounts. Instead of accumulating interest, it offsets (or reduces) the interest on your mortgage.

You can use it in a range of ways. Deposit your full wage and withdraw money for cost of living expenses. Or add leftover savings at the end of the week.

The upsides? It could reduce your mortgage by years – and you can re-draw funds if you need them. Of course, you'll need to check your bank's rules here first as they may charge fees for this.

## 2 Give future you more super

Option two is salary sacrificing money into super. This way, you may pay less tax on your income. That's because contributions to super are taxed at a lower rate than most of our marginal tax rates. The other plus? The more time your money spends in super, the more opportunity it has to grow.

Of course, there's no one-size-fits-all strategy for maximising your savings. You can chat with a financial planner through CareSuper to work out a super plan that's perfect for you.

# What to do when markets tumble

When share markets nosedive, it's instinctive to want to move your super from a higher risk option into something that seems safer. But is this the best move? A quick switch could mean missing out on a market resurgence, or the stress of trying to perfectly time a move back. So, what's an investor to do?

## Remember, we've got your back

Super funds don't all invest alike. CareSuper's diversified options hold fewer shares than most other funds, so they tend to be less volatile – while still outperforming their objectives. Our approach isn't based on short-term market activity. Instead, we focus on the long term, looking years ahead. We aim to protect more of your money, while actively seeking out investment opportunities to deliver consistent returns.

## Make a personalised choice

Make a decision about where your super's invested based on your long-term goals. What type of investor are you and what do you want from your super? If you've got decades left of working, you can probably weather some ups and downs. If you're close to winding up, you may



be interested to know if you should be wrapping your super in cotton wool, or continuing to push for higher returns.

Whatever you decide, you can then feel comfortable with your choice, no matter how the market chooses to behave. Plus, you're not locked in. You can mix and match your investments whenever you like if your super goals change over time.

Get to know CareSuper's investment options and their risk levels at [caresuper.com.au/investments](https://caresuper.com.au/investments).

## Ask for help

Not confident making an investment choice on your own? You don't have to. As a perk of membership you can call us on **1300 360 149** and arrange a chat with a financial planner about your investments at no extra cost.



Call us on **1300 360 149** or go to [caresuper.com.au/advice](https://caresuper.com.au/advice)



## Got more questions about investments?

We've got answers! Head to [caresuper.com.au/FAQs](https://caresuper.com.au/FAQs) for more





# Dig yourself out of debt

Finding it hard to keep your head above water financially? It could be time to re-group, re-plan and re-budget. So, what can you do?

## Make a plan

Work out how much you owe by gathering together all credit card statements, loans and bills you may have. Once you've got a final tally, try prioritising payments based on what needs paying first and what can't be avoided. Is there anything you can negotiate lower payments or a payment plan for?

## Stop spending

It sounds so flippant, but it really is crucial to your success. If you don't need it, don't buy it. Small changes to your budgeting, like taking leftovers to work for lunch, can make a difference in the long

term too. And if you track your spending in an app you can spot any money that isn't working hard and redirect it to savings or reducing debt.

## Stay off social media

It may sound crazy, but there's truth in the saying 'comparison is the thief of joy', so staying away from social media when you're trying to pay off debt/save money can be a lifesaver. When you can't see your friend's fab holiday, you can't compare your situations and you're free to concentrate on what's important to you – being debt free.



## → Want to read more articles like this?

Go to [myfutureme.com.au](http://myfutureme.com.au). MyFutureMe is a CareSuper initiative to help connect women with their future selves. It provides financial, wellbeing and lifestyle articles tailored to women.

## Meet our members



'I didn't want to be a business advisor with the wrong super fund.'

Meet CareSuper member Jason Robinson. Accountant, advisor and business owner at RBK Advisory.

Over the past two years, Jason's business has gone from fledgling (with two full-timers and one office), to flying. 'We now have five offices around Melbourne and a team of 18,' he says. 'On top of that, we have 2000 happy clients, who we don't just help with business tax. We make a point of helping individuals, so we open up discussion around personal finance too.'

When asked what it means to have his own business, Jason doesn't hesitate. 'It's the most rewarding thing I've done with my life so far. Providing an environment where our team actually loves coming to work, the caring culture... it feels like a big family and I'm so grateful for the way it's gone so far.'

And when he's not working?

'What we do at RBK Advisory is a lot of fun and doesn't really seem like work, but it's still so important to switch off. That's usually a few laps around the Tan in Melbourne, hitting the gym, reading books. My partner and I like little escapes to the Mornington Peninsula or exploring Melbourne's amazing food culture. If there's time for a longer escape, my second home is Bali.'

So, how does CareSuper fit into the picture?

'Have you ever heard the saying, "the mechanic has the worst car on the road"? I didn't want that to be me – an advisor with the wrong super fund. I was actually set up with a CareSuper account years ago in an old job, and the relationship is transparent and uncomplicated. This might sound obvious, but when you're so busy it makes a big difference to get information that you can skim through but still understand. It's easy, just the way super should be.'

Since becoming a business owner, Jason's been tasked with choosing a default super fund for his employees too. He says that for him, CareSuper was the natural choice. It's a 'comfort thing' – he wants his employees to receive the same security he's always felt.

## what's your story?

If you'd like to share your story with us, please email us at [social@caresuper.com.au](mailto: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/campaigns/supermatch](http://caresuper.com.au/campaigns/supermatch) or call **1300 360 149**.



## get in touch

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