

Super & You

Issue 1, 2016

Winner of three
Money magazine
Best of the Best
2016 awards



Investment update

Your **quick guide** to super

Your future self is
talking to you



Welcome to the first edition of Super & You for 2016.

Have you heard the big news?

CareSuper received three *Money* magazine awards for 2016. We were thrilled to be named the winner of the following categories:



Best Super Fund Manager



Best MySuper Fund for the
Balanced option



Best Balanced Super Fund
for the Balanced option

Money magazine noted that CareSuper '...has delivered outstanding returns on a net-of-fee basis'. The judges also mentioned CareSuper's long-term investment performance as a key factor in the sought-after 'Best Super Fund Manager' category win. Head to page 4 for more information on the latest returns and how your super is invested.

Making super easy for you

We want to make dealing with your super easier, especially managing your account online. The MemberOnline portal, where you can view and change your investment choices, access your account details and update your personal information, is regularly updated to improve your online experience. Go to caresuper.com.au/register if you have not yet registered for your online account.



Grow your super

Even though your retirement is probably a long way off, the best way to prepare for the day it finally arrives is to start planning early. If you're able to make extra contributions to your super when you're young, they'll work much harder for you.

One of the easiest ways to improve your super situation is to make sure you're not paying fees for multiple accounts. If you want to consolidate your super into CareSuper, you can do so online or over the phone. Go to caresuper.com.au/maximisesuper to find out more.

Also, take a look at the **Grow your super** calculator at caresuper.com.au/supercalculators to find out how much difference extra contributions could make to your super.

We hope you enjoy this edition of **Super & You**. If you have any questions or feedback, please email us at admin@caresuper.com.au or call us on 1300 360 149.

Julie Lander

Julie Lander | CareSuper CEO

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CareSuper is pleased to have been a supporter of the Mother's Day Classic since 2008.



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SUNDAY 8 MAY 2016

Events held nationally

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YOU WALK OR RUN.
IT JUST MATTERS WHY.**

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Investment update



Suzanne Branton
General Manager –
Investments



Market overview

It has been a mixed start to 2016. Volatility in Australian and overseas share markets combined with falling oil and commodity prices, low interest rates and political events, have resulted in fairly flat economic growth in many key markets.

These factors have had an impact on our investment performance and our returns aren't as strong as they have been in recent times.

How we're responding

In anticipation of a more difficult period ahead, we had earlier positioned our investments defensively. We have invested less in shares, and more in other asset classes like property, cash, fixed interest and alternatives. This is also in line with our tried and tested investment philosophy of preserving members' capital when markets are performing poorly.

What does this mean for you?

When it comes to the investment returns our members are likely to receive for the 2015/16 financial year, the results won't be as strong as they have been over the past few years. As a result of the volatile markets we're experiencing, many of our investment options are likely to produce modest returns for the 12 months to 30 June 2016. Even though our returns may not be as strong as recent years, we're currently outperforming many other similar super funds due to our defensive investment strategy. Our Balanced option's return of 1.70% for the six months to 31 December 2015, is above the median Balanced option return of 1.20% for the same period,* demonstrating that even in uncertain times, we deliver competitive returns to our members.

* As measured by the SuperRatings Fund Crediting Rate Survey – Balanced (60 – 76) Index, December 2015.

Investment returns to 31 December 2015

Investment options	Financial year to date (%)	1 year (% p.a.)	3 years (% p.a.)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)
Managed options						
Capital Guaranteed	1.23	2.98	2.06	2.15	2.31	3.54
Capital Stable	1.05	4.20	6.88	6.77	7.17	5.68
Conservative Balanced	1.01	5.03	8.30	7.64	7.98	5.99
Balanced (MySuper)	1.70	7.09	10.99	9.06	8.84	6.66
Sustainable Balanced	2.04	6.62	10.81	8.83	8.41	6.03
Alternative Growth	1.88	7.17	10.78	9.00	9.39	6.68
Growth	1.24	7.22	12.59	9.72	10.09	6.69
Asset Class options						
Capital Secure	1.09	2.59	2.76	3.33	3.52	3.86
Fixed Interest	0.75	2.07	4.10	6.31	6.66	5.90
Direct Property	7.44	12.67	9.89	8.73	5.41	6.84
Australian Shares	-0.55	4.21	9.65	7.49	9.81	6.20
Overseas Shares	-0.21	9.03	18.83	12.91	12.10	6.30

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 returns shown are after fees and tax, and have been rounded to two decimal places.



Why we take an active investment approach

When it comes to investing your super, there are two main ways your money can be managed: actively or passively.

What is active management?

The aim of actively managed investments is to outperform the market. To do this, an active investment manager analyses trends and market movements and makes decisions whether to buy, sell or hold investments based on a number of factors. These factors can be broad economic trends, company-specific information and detailed quantitative and qualitative analysis.

Active management involves a skilled professional deciding what to invest in. A common strategy that active investment managers apply is to invest in undervalued companies in the belief that the share price will increase over the long term.

What is passive management?

Passively managed investments aim to achieve a return in line with the market.

A passive investment manager generally looks to mirror the return of a specific index, for example the S&P/ASX 200 Index, which tracks the 200 most actively traded companies listed on the ASX.

A passive investment manager who is trying to replicate the return of this Index would invest in all the companies that make up the Index, in the same proportions. Then, if the entire Index delivers a particular return at the end of a period, the investment manager would expect to generate a similar return.

As you can see, there is no decision about what's considered an attractive investment or not.

Is there a cost difference between the two approaches?

Active investments are generally more expensive than passive investments, because the managers are making decisions all the time based on insights and analysis to choose the best investments.

It's a more complex approach, and involves skill and judgement, which is why it costs more.

Why CareSuper adopts an active management approach

At CareSuper, we adopt an active management approach for our 7 Managed investment options (this includes the Balanced option, in which most members have all or part of their super invested).*

We believe that active management allows us to be responsive and flexible in how we manage our members' super, and the excellent long-term returns we have delivered over the past 10 years demonstrate the success of this approach.†

Despite the cost of active investing, CareSuper has continued to provide consistently strong investment returns which outperform many other funds.‡ When it comes to your super, it's important to look at the bigger picture and not focus on costs alone.

learn more

Want to learn more about how we manage your super? Give us your email address to receive monthly e-newsletters, which feature a regular investment update. Log in to MemberOnline at caresuper.com.au/login and go to the 'Personal details' section.

* Our 5 Asset Class options on the other hand, aim to outperform a particular index and are mostly passively managed.

† Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments.

‡ As measured by the SuperRatings Fund Crediting Rate Survey, June 2015 (various indices).



Your quick guide to how super works

Superannuation can sometimes seem a bit complicated, but the nuts and bolts of it are actually pretty simple. Here are some of the basics:

① Employer contributions

Generally, your employer contributes the equivalent of 9.5% of your salary into your super account. This is known as the Superannuation Guarantee contribution (SG), and it's required by law. In most cases, SG contributions are taxed at a rate of 15% which, if less than your marginal rate, makes super tax effective.

② Investing your money

Your super fund invests your money for you so it can grow over your working life. Super funds generally invest in different 'types' of investments, like property and shares. This diversification helps reduce risk by spreading member's super across a range of investments that may all perform differently.

As a CareSuper member, unless you've made an investment choice, your super will be invested in CareSuper's default investment option – the Balanced (MySuper) option. You can choose where you'd like your super invested as well. CareSuper offers 12 different investment options and the Direct Investment option (for eligible members).

➡ You can find out more about your investment options at caresuper.com.au/investmentoptions.

③ What you can do to help your super grow

If you've got more than one super account, combining your super is an easy way to stop paying extra fees and costs – which can save you money in the long run. But before you consolidate your super, consider whether this is the right option for you, whether any exit or other fees apply and the impact on any insurance you may have (including loss of insurance).

Not sure who's got your super? If you've got a MyGov account, you can see all of your super, and even consolidate it, just by linking to the ATO. You can also search for lost super at caresuper.com.au/lostsuper.

You can also boost your super balance whenever you like (just keep in mind there are contribution caps).

➡ For more tips and information on boosting your super, go to caresuper.com.au/maximisesuper.



④ Insurance through super

All default super funds must offer insurance, so you might want to check and see whether you're covered – and for what.

One of the benefits of having insurance through super is that your premiums are taken from your super account so they don't reduce your take-home pay. You can usually opt out of insurance if you want, but before you do you should consider whether this is right for you.

➔ Find out more about the insurance offered to CareSuper members at caresuper.com.au/insurance.

⑤ Super and tax summary*

When your employer pays SG contributions into your super fund, or you make a pre-tax personal contribution (like salary sacrifice), this money is usually taxed at 15%. Depending on your salary, this 15% tax may be less than what you pay on your income.

For after-tax personal contributions (like direct debit), there's no 15% contributions tax as you've already paid tax on your income.

Once your super has been invested, earnings are also taxed at a concessional rate – usually 15%. This can make your super an effective way to save for the long term.

The best bit comes later on once you've retired. If you turn your super into an income through a pension product, earnings are all tax free and once you are aged 60, withdrawals from super are tax free too.

There are caps that apply to high levels of contributions and you should be aware of them, as exceeding them can mean you pay more tax.



like to find out more?

If you have questions about how super works, or if you'd like to talk to a professional about the investment options your super is invested in, assistance is available. CareSuper members have access to super-related advice over the phone at no extra charge from Industry Fund financial planners.** Visit caresuper.com.au/advice to book a call back with a financial planner.

* Please note that the tax information provided is a summary only. The information provided is general advice only and has been prepared without taking into account your particular financial needs, circumstances and objectives. You should consider your own financial situation or needs and you may also wish to consult a licensed financial or taxation adviser.

** 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.

Are you thinking of changing your investments?

It can be tempting to change your investments when market conditions fluctuate. But before you make any rash decisions, stop and ask yourself whether you've considered everything – like these four points:

1 Think long term

Super is a long-term investment, and some short-term volatility is to be expected. If your investments match your individual risk profile and goals, there may be no need to change them just because of short-term market volatility.

2 Understand which asset classes you're invested in

Your super may be invested in a broader range of asset classes than you realise. To view a personalised breakdown of these asset classes, log in to your MemberOnline account at caresuper.com.au/login. The pie chart on the home screen shows you the different asset classes you hold through your current super investments.

If you're one of the many members who's in our Balanced option, your money will be invested in a wide range of asset classes, including overseas shares, Australian shares, property and alternatives.

This diversification is an important risk management tool to weather market volatility while still generating competitive returns.



3 Be informed

By being well-informed, you're likely to make better decisions for yourself.

Try not to believe every article you come across in the mainstream media – they can often be exaggerated and unhelpful. Look for information from trusted experts with practical financial tips and a long-term outlook.

➔ You can take advantage of the useful resources available on our website including the **Investment options calculator** available at caresuper.com.au/super-calculators.

4 We're here to help

Before changing your investments, it can help to speak to a professional for advice.

CareSuper members can receive financial advice about investment options over the phone, at no extra cost, from an Industry Fund financial planner.* A financial planner can help you determine your investment risk profile and provide information on the investment options that suit your outlook.

➔ Go to caresuper.com.au/advice to book a callback from a financial planner today.

* 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

Your future self is talking to you

We don't always want to take advice from others. But what about taking advice from yourself? Well, from future you, anyway.

Picture it...

You're 20 years older, brilliantly wise and you've got some top super tips to help younger you (current you? this is getting confusing...) set yourself up for some stress-free later years.

Acting now could mean the difference between checking your super balance at age 50 and feeling calm and in control – or freaking out!

So, what might future you suggest?

They might suggest adding extra to your super while you're still young. (In fact, we're pretty sure they'll suggest this.)

“set yourself up for some stress-free later years”

Why?

Super is a long-term savings plan, so the sooner money starts trickling in, the longer it has to compound and grow into an amount that could make a big difference to your income in retirement.

For example, a 30-year-old who adds an extra \$1000 to super each year (less than \$20 per week) could actually have more in retirement than a 50-year-old contributing \$5000 per year (almost \$100 per week).

Assuming a starting balance of \$30,000 for both (and other assumptions*), that means a 30-year-old could have over \$300,000 more in retirement, just from starting their super savings journey early.

That's an extra \$17,000 per year in retirement income!

➔ To find out how you could boost your super go to caresuper.com.au/maximisesuper.



* Figures calculated using the 'Grow your superannuation – After-tax contributions' calculator at caresuper.com.au/supercalculators, accessed on 2 March 2016. Assumptions include opening super balances of \$30,000, annual incomes of \$40,000, a super guarantee rate of 9.5% and an 'assertive' risk profile. These figures are indications only. Investment returns can be affected by a range of factors, including investment choice, your investment timeframe and market conditions. We suggest seeking financial advice before making any decisions. Visit the calculator for full details.

Can you spot the scam?



While the digital world often makes our lives easier, it also provides opportunities for scammers to try and get their hands on our money or personal details.

Using the CareSuper website, we've highlighted some key things to look out for when browsing that could improve your online security.

Check the URL
Scammers often swap out letters, numbers and characters that are similar. For example, an 'A' could easily be swapped out for a '4'.

How secure is the website?
Look for the 'https' and padlock symbol to identify a safe website.

Hover over some links
Do they look like genuine links or some kind of crazy alphabet soup?

Click on something boring!
Scammers will replicate the main pages of a website, but tend not to bother with less frequented pages – for example, the privacy policy.

Privacy policy



want to learn more about protecting yourself online?

Head to scamwatch.gov.au or moneysmart.gov.au for expert tips.

Giaan Rooney:

Why I'm an ambassador for CareSuper

An Olympic swimmer and a super fund. It sounds a little like the opening line of a joke. So what exactly do these two things have in common?

'Plenty,' says Giaan Rooney, whose relationship with CareSuper began over five years ago when she came on board as brand ambassador for a campaign aimed at getting young members to care about their super.

'For starters, I've been contributing to super since I was 15 – so for more than half my life. Which makes me feel really old, but also makes me feel really positive about my financial future.

'I've also already retired once. When I gave up professional swimming at age 23, I had to start all over again. That's obviously not the same as stopping working forever, but I think when I retire for good I'll experience those feelings again – being a bit scared, but also looking forward to the next chapter.'

Has the relationship with CareSuper always felt like a natural fit?

'Definitely. Because I started earning money from swimming at a pretty young age, I also had to make some decisions about my super early on,' she explains. 'I've never regretted choosing to invest in my future.'



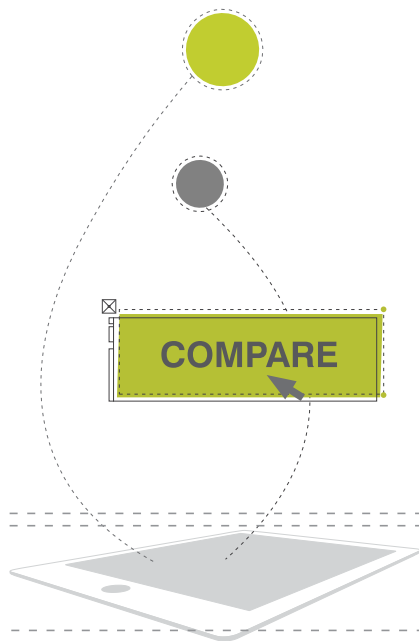
'I've never regretted choosing to invest in my future.'

'I know there's a lot more to super than retirement – like insurance. I'm a pretty cautious person, so insurance is a big thing for me. It really gives me peace of mind knowing I'm covered for all situations, both inside and outside of super. The only thing I'm missing is pet insurance. I tried, but my dog's only got three legs and nobody will cover him!'

A regular at CareSuper young member events, Giaan will be missing in action for a few months when she heads to Rio as a commentator for the 2016 Summer Olympics.

'I can't wait. I'm really excited to see how all our Aussie athletes go – especially the swimmers, of course. The Olympics is such a huge event, it's going to be amazing.'

Compare your super and you could be better off



Go to caresuper.com.au

'Compare' modelling provided by SuperRatings, commissioned by CareSuper. Outcomes will vary between individual funds. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a fund. This advertisement contains general advice only. Consider CareSuper's PDS from the fund's website and your objectives, financial situation and needs, which are not accounted for in this information, before making an investment decision.



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CARE Super (Fund) ABN 98 172 275 725



FOREST MANAGEMENT



ENVIRONMENTAL
MANAGEMENT SYSTEMS



ELEMENTAL
CHLORINE FREE
CERTIFICATION



CERTIFICATION



LASER GUARANTEED

Pacesetter Laser is 30% recycled, which is post-consumer waste. It is made from elemental chlorine free bleached pulp sourced from sustainably managed sources. It is manufactured by an ISO 14001 certified mill.