

Super & You

Issue 1, 2016

Winner of three
Money magazine
Best of the Best
2016 awards



Investment update

Easing your **transition**
to **retirement**

Thinking of **changing**
investments?

Future you has
something to say





A message from CareSuper CEO, Julie Lander

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

You may have already heard that CareSuper received three *Money* magazine awards for 2016. We were delighted 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 behind the coveted ‘Best Super Fund Manager’ win. Head to page 4 for the latest on your returns and an update on market performance.

New to CareSuper

CareSuper will soon be able to offer more options for members in the Pension product. We’re currently working on offering a guaranteed income product, backed by Challenger, to provide members with the option of a secure income in retirement, either for a specific term or for life. Keep an eye out for more information on this exciting development coming soon. Planning for retirement can sometimes be daunting, but when the time comes we want to make the transition as easy as possible. Eligible CareSuper members will soon be able to open a pension account online through MemberOnline, making it a faster, seamless process. You can find out more at caresuper.com.au from April.

Your guide to retirement

If you’re starting to think about retiring, or even if you’re not quite there yet, the CareSuper **Retirement Guide** might be a good place to start researching. It covers a range of topics including how much you might need in retirement, and the best ways to boost your super. Go to caresuper.com.au/retirementguide to start exploring. 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

Contents | Issue 1, 2016

Investment update	04
Easing your transition to retirement	06
Are you thinking of changing your investments?	08
Future you has something to say	09
Can you spot the scam?	10
Giaan Rooney: Why I'm an ambassador for CareSuper	11

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



WY WOMEN IN SUPER

Mother's
Day
Classic

Proud Major Sponsor



SUNDAY 8 MAY 2016

Events held nationally

**IT DOESN'T MATTER HOW
YOU WALK OR RUN.
IT JUST MATTERS WHY.**

Go to mothersdayclassic.com.au to register

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 that 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).

Easing your transition to retirement



Thinking of retiring in the near future? Planning ahead can help you make this life transition easier on yourself, both mentally and financially.

There are a few things you might want to consider when you are thinking about retirement.

Working part-time before retiring completely

Transitioning from full to part-time work before you're completely retired can be a smart move. A life with a little less labour can help you avoid the system-shock that comes with a whole new lifestyle. You can also prepare yourself financially for the change in income that comes with reducing your hours.

If you choose to transition to part-time or casual work after you've reached your preservation age, you might be able to supplement your income through a 'transition to retirement pension'. This is achieved by topping up your salary with a regular stream of income from your super savings.

Knowing how much you'll be spending

It's important to have a sense of what you'll be up to during retirement, before you stop working completely. Whether it's extensive travel, further education, home improvements or helping to support your partner or children, having a clear plan of how you'll spend your time will help you determine how much you'll be spending and need to save. Once you know, you can start budgeting.

Getting your savings in shape also allows you to prepare for large future costs and insure yourself against unexpected expenses.

Not sure if you'll have enough money to fund your retirement?

The **Visualising Retirement** calculator* at caresuper.com.au/supercalculators can help you explore different income levels and consider what they would look like in retirement. Simply enter some key details to see an estimated super balance and income at your desired retirement age. You can also select future retirement goals and look at ways to reach them.

Keeping yourself busy

Planning ways to stay active during retirement is essential to your wellbeing. It might mean revisiting fulfilling hobbies or even taking on a casual job you've always been curious about. The point is, it's important to maintain a sense of purpose, no matter what stage of life you're in.

Looking for more inspiration?

Take a look at the CareSuper **Retirement Guide** at caresuper.com.au/retirementguide, which provides helpful tips, information and resources to help you plan ahead for retirement and assess your current situation.



What is a 'Transition to Retirement' pension

With Australians living and working longer than ever, retirement has become an increasingly gradual process. A Transition to Retirement (TTR) pension helps you 'transition' your way into total retirement. Plus, it can come with some tax incentives, such as no tax on investment earnings in super pension products.

There are a range of TTR strategies (and we suggest getting professional help to figure out which is right for you), but here are a few of the options:

- Potentially reduce the tax you pay by salary sacrificing into super (and boosting your super balance), but maintain your take-home pay by drawing an income from your pension
- You work fewer hours, but make up the difference in income by drawing from your pension

- You continue to work normal hours, and boost your salary by drawing down an income from your pension (this can be taxed more favourably).

Remember, you can't access your super until you've reached preservation age, and unlike other pension options a TTR strategy comes with a maximum withdrawal limit and does not allow for lump sum withdrawals.



For more information go to caresuper.com.au/TTR.



Take a look at the **Transition to Retirement** calculator* at caresuper.com.au/supercalculators to explore different strategies.



A qualified financial planner will be able to develop a tailored retirement plan based on your specific needs, goals and situation. To find out more or book a call from a financial planner,* call **1300 360 149** or visit caresuper.com.au/advice.

* These calculators are provided by Industry Fund Services Limited (IFS) under its Australian financial services licence, ABN 54 007 016 195, AFSL 232514. Projections are based on information that you provide in addition to certain required assumptions which generate the projections. 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 about your investment timeframe

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/supercalculators.

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

Future you has something to say

What's future you doing about your super that you could start doing now?

We're always being encouraged to make five, 10, 20-year plans for our future. And we do, because it's comforting to think that in five years from now we could have achieved the things we wanted to – and resolved the things that are currently causing us stress or inconvenience.

If we're doing all this planning for our future selves, why not think about it in reverse too? What's future you doing about their super that you could start doing now?

Future you is a bit closer to retirement, so they're probably very interested in your super account balance. Still, it's not just a question of how much you might have in five or 10 years – it's about knowing how much is enough. And knowing what 'enough' means for you. It's about doing the sums and taking the steps to work out how much you could retire with and whether that will last you through your golden years.

They're big questions – but they don't have to be scary.

In fact, future you might have them completely under control, with a bit of help.

The benefits of financial planning

When it comes to taking care of your super, financial planning can be a key resource. A planner can work with you to help you better understand your current situation – and what your future could look like. If your super is a bit off track, they can develop strategies to help you boost your balance and give you a healthier income from super in retirement.

You could be doing future you a big favour by starting your super planning early!

As a CareSuper member, you have access to financial planning through your super. General super-related advice over the phone is at no extra cost. Tackling the bigger questions may require complex advice, which is fee-for-cost.



To talk to a planner, request a call back at caresuper.com.au/advice, or call **1300 360 149** between 8am and 8pm weekdays for more information.



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.'



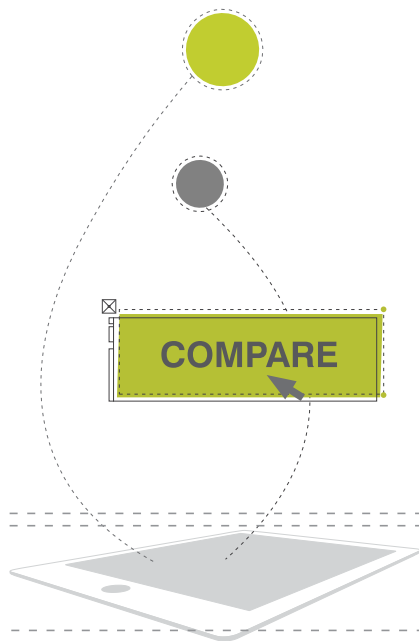
'I've never regretted choosing to invest in my future.'

'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 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.



Contact us

call CareSuperLine 1300 360 149
visit caresuper.com.au
email admin@caresuper.com.au
write CareSuper, Locked Bag 5087
Parramatta NSW 2124

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.

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



FOREST MANAGEMENT



ENVIRONMENTAL
MANAGEMENT SYSTEMS



ELEMENTAL
CHLORINE FREE



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.