caresuper

your time

Issue 2, 2017

What can you afford to spend this year?

meet CareSuper member June Quinn

Investment update

An Industry SuperFund

Welcome to *your* time

The retirement you deserve

Retirement isn't one size fits all.

We all have different dreams for our retirement – and different realities to contend with. Of course, one thing we have in common is the need to fund our lifestyle.

At CareSuper, we believe that everyone deserves a happy and comfortable life throughout retirement. Super can play an essential role in achieving this.

That's why, recently, we've been focusing on how we can better support our retired and retiring members. We know that you want choice in retirement. And certainty. That's why we've introduced a Guaranteed Income product, which provides more flexibility and security when it comes to structuring your retirement income.

In this magazine, we use your statement as a tool to help you answer the important question: 'What can I afford to spend?' (That's on pages 6 and 7.)

And we ask, 'How do you cope with regrets?' We all have them, but we hope the article on page 9 inspires you to action! If your regrets have anything to do with super, just remember, we're only a phone call away on **1300 664 781**.

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.

Our Balanced, Conservative Balanced and Capital Stable options (CareSuper's three largest pension investment options) all closed out the 2016/17 financial year with top quartile returns, as surveyed by SuperRatings.* In fact, the Balanced option is the number 1 ranked* pension option over 10 years.*

Take a look at pages 4 and 5 to find out how all of our pension options performed, and some of the key factors that contributed to our strong returns.

A super fund for life

Super isn't just business to us. It's something we believe in. Naturally, we want CareSuper to be the fund you partner with for your whole retirement, whether you're just starting out and want to discuss income options, or you're years into your journey and wondering if you need to make some adjustments to your plans.

On page 8 we look at a few of the principles we hold as a fund, which guide the way we look after your money. We encourage you to contact us if you have any feedback about CareSuper. If there's more we could be doing for you, we want to know about it!

Contact us at **pension@caresuper.com.au** or call **1300 664 781**.

We hope you enjoy this edition of **Your Time**.

Julie Lander

Julie Lander | CareSuper CEO

* Source: SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60-76) Index, June 2017.

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.

Contents

@CareSuper

CareSuper

facebook.com/TheCareSuper

Investment update

Suzanne Branton
Executive Manager – Investments

CareSuper's Pension options delivered competitive returns for the 2016/17 financial year. A majority of Pension members have their money invested in our Balanced, Conservative Balanced and Capital Stable options. These options have consistently produced top quartile performance over time, meaning they are ranked in the top 25% of similar funds, as surveyed by SuperRatings.* In fact, the Balanced option is the number 1 ranked* pension option over 10 years.

The Balanced option is the number 1 ranked* pension option over 10 years.

While these strong financial year returns are a great boost for your account balance in the short term, it's important to look at these figures in the context of CareSuper's longer term performance and investment philosophy too.

Pension investment returns to 30 June 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	2.03	2.68	2.16	2.36	2.99
Capital Stable	7.47	6.36	7.93	7.78	6.12
Conservative Balanced	9.53	7.35	9.55	8.87	6.35
Balanced	12.67	9.68	12.20	10.70	6.91
Sustainable Balanced	10.22	8.51	11.45	10.16	5.92
Alternative Growth	12.81	9.76	12.14	10.79	6.91
Growth	14.68	10.36	13.91	11.58	6.67
Asset Class options					
Capital Secure	2.43	2.77	3.14	3.78	4.00
Fixed Interest	2.23	4.11	5.01	6.52	6.94
Direct Property	14.95	13.56	11.43	10.74	7.43
Australian Shares	16.35	8.42	13.38	10.57	4.94
Overseas Shares	20.94	13.62	18.89	14.37	7.65

^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. The tax treatment of earnings in Transition to Retirement (TTR) accounts (effective 1 July 2017) is not reflected in the past performance of the investment options shown above.

Which assets drove 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.

These asset classes form part of the mix of investments that make up CareSuper's Managed options. Each Managed option holds a different combination of diverse asset classes, which all contributed strongly to CareSuper's overall performance.

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.

* Source: SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60-76) Index, June 2017.

Source: Bloomberg AusBond Composite 0+ Years Index.

Tax-effective earnings working for you

A significant part of this year's returns were generated from shares. Thanks (in part) to the favourable tax treatment associated with Australian shares, this means the returns of our Managed Pension options are higher than our super returns, especially the options which hold more shares – something our pension members will definitely appreciate!

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 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.

What can you afford **to spend this year?**

Regardless of how much or how little we have in our super, we all experience moments where we ask ourselves: ‘Can I afford this?’

For some of us, this question arises regularly. At the grocery store. When the electricity bill is due. Before committing to a holiday bus tour with friends.

Is there a way to answer this question more easily? (And ask it of ourselves less frequently?)

Each year when your statement appears in your letterbox, why not use it as inspiration to review your situation and prepare for the year ahead?

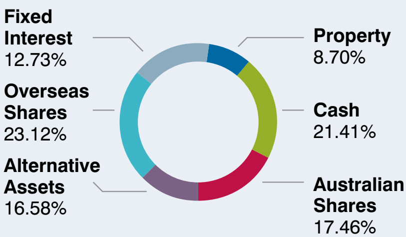
To help you get started, we’ve explored a few key parts of an example statement.

(Figures and images are for illustrative purposes only and do not reflect your actual CareSuper account.)

Your investment summary as at 30 June 2017

Investment option	Number of units held	Unit price*	Value	Earnings^
Growth	21,843.00000	$1.5023	$32,800.00	$3,470.66
Balanced	22,594.00000	$1.4280	$30,265.00	$3,208.43
Conservative Balanced	23,102.00000	$1,3305	$30,000.00	$2,407.95
Capital Stable	47,253.00000	$1.2707	$60,044.00	$3,960.94

How your assets were allocated at 30 June 2017



Find out more at **caresuper.com.au/ pensioninvestmentoptions**.

Your investment summary

When we retire, preserving our wealth becomes very important, but you probably still need some capital growth. How do you find the balance between income generation and protecting your existing savings?

You might wish to consider your risk profile. A member of our advice team^ can ask you a few simple questions to help you establish your tolerance for investment risk vs. reward, so you have a better understanding of your motivations and the kinds of investments that match your profile.

You could also look at your investment goals. Are you achieving what you need to or want to? Are your goals attainable with your current strategy?

If there’s a tension between your risk profile and your investment goals, we’d strongly encourage you to seek financial planning advice so you can explore this as part of your overall retirement plan. (This advice is at no extra cost over the phone.^)

^ 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.

Personal details

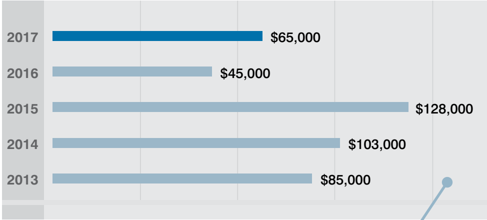
Membership number:	123456789
Member name:	Mrs Sample
Age at 30 June:	70
Gender	Female

Current pension details

Your annual pension amount:	$5,000.00
Frequency of payment:	Monthly
Amount per payment:	$500.00

Your account balance history

Thanks for being with us for over 10 years. Here's how your account balance has changed over the past 5 years.



Your payment details

A look back can help you look ahead.

By reviewing your CareSuper pension payments against your actual spending for the last financial year, you can make some decisions around how much to draw down from super in the coming year.

You might consider:

- Did you use your CareSuper Pension for essentials, extras, or a mix of both?
- Did you spend up to your maximum limit? Sometimes, because of a fear of running out of funds, retirees can underspend and make unnecessary sacrifices. Creating a spending plan based on realistic figures can help allay this fear and give you a clearer picture of what you can afford to spend.
- Did you have surplus cash flow that is now building up outside of super? This may mean you reduce your pension payments in the coming year.

Read more about CareSuper pension payments at **caresuper.com.au/FAQs**.

Your account balance history

Separating your income into what you need and what you want is a good way of organising your spending plan. It also allows you to consider the various income options through CareSuper.

For example, it's possible to mix and match the CareSuper Pension and Guaranteed Income product, along with any Age Pension. This is known as 'income layering' and it means you can address pressing concerns, like maintaining a secure income (perhaps through a guaranteed income), while still having access to a flexible income (such as a CareSuper Pension). This way, you'll know how you'll be paying for any essentials in advance, and you'll still be able to adapt your spending to manage any extras or emergencies, like an unexpected health problem. (Note that product eligibility criteria applies.)

Find out more at **caresuper.com.au/retirement**.

What's next?

To evaluate your spending throughout the year, we recommend seeking financial advice from our team of experts.^

With their help you can take a closer look at your financial situation inside and outside of super and truly start to answer the question, 'What can I afford to spend?'

To learn more about financial planning through CareSuper, or to book a call-back from a planner, go to **caresuper.com.au/pensionadvice** or call us on **1300 664 781**.

^ 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.

A super fund for life

What sets CareSuper apart from hundreds of other super and retirement income products? We think it's the way we care for you and your money.

For us, it's not just about doing business – it's about partnering with you on your retirement journey. Whether that's giving you more choice, better performance, or simply being on hand to offer guidance when you need it, we strive to help you make the most of your hard-earned super.

Here are some of the things we believe in. Are they important to you too?

Profits for members

We need money to provide you with quality products and services. But beyond that, any profits go back to you – not to shareholders or to financial planners as commissions. That's what being an industry fund is all about.

Consistent investment performance

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 understand the importance of smooth performance in retirement, when you're working out your payments from super and planning for the year ahead.*

You can see the high rankings we've achieved for our investment performance at **caresuper.com.au/awards**.

A super fund for life

Through CareSuper, you have three different ways to pay yourself an income from super. You can mix and match these options, too. You could start with a CareSuper Transition to Retirement Pension account, convert to a full CareSuper Pension account later, and even layer your income with a Guaranteed Income account.

Because your product options are flexible, you can make changes as required, without needing to switch funds or providers. It's all part of being with a super fund for life.

Explore your options at **caresuper.com.au/retirement**.

Expert help

While there's plenty to love about retirement, it can create money worries, such as figuring out how to grow, stretch and make the most of your savings.

A financial planner^ who is familiar with working with CareSuper members can help you consider your situation (both inside and outside super), 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?

Learn more at **caresuper.com.au/pensionadvice**.

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

^ 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.

How do you cope with regrets?

If you've ever searched the internet for 'retiree regrets', you'll find various top fives and top 10s that include things like:

- Not retiring sooner
- Not working longer
- Not spending enough time with family
- Not saving enough for retirement
- Not travelling early enough
- Not marrying the right person
- Not developing a hobby
- Not keeping fit and healthy
- Not learning a second language
- Not downsizing earlier
- Not getting professional financial advice earlier.

There are variations and some contradictions amongst the lists – and a few that relate to super, like retirement savings and financial advice! But the common theme is that most regrets contain the word 'not'.

To do or not to do

It seems our regrets are not for what we did, but what we didn't do.

By contrast, it's much harder to regret something we have actually done.

If the thing we did turns out well, there is nothing to regret.

And if the consequences of our actions leave us in a worse position, we're too busy making things better and learning from our mistakes to ponder what might have been.

The good news for those of us who have regrets (which is nearly all of us) is that the best way to counter them is to act.

And remember, it's never too late.

Language or long distance?

The Hungarian translator and linguist Kató Lomb believed it was never too late to learn another language. She already spoke 17, but started learning Hebrew at the age of 86.

For Indian man Fauja Singh, it was never too late to get in shape. He took up running at the age of 80 and completed the Hong Kong Marathon at the age of 101 and the Mumbai Marathon when he was 104.

Some timely advice

It's never too late to benefit from professional financial advice* either. Wherever you are in your retirement journey, a financial planner can help you take advantage of the latest social security and tax rules to maximise your lifestyle. They can also help you assess your income options and spending plan.

You can book an appointment online today through CareSuper at **caresuper.com.au/pensionadvice** or call us on **1300 664 781** for more information.

You won't regret it.

* 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.

meet CareSuper member June Quinn

Tell us a little bit about your working life.

My husband was a retail butcher for over 50 years, and before having children I worked in office administration. We were also self-employed for many years, during which we contributed heavily to our super.

What did your working arrangements mean for your super?

Being a casual meant that, more often than not, every employer had a different super fund they'd sign you up for. I made a point of consolidating every super account I had into my CareSuper account once every year.

What set CareSuper apart for you?

I first became a CareSuper member in one of my admin roles. My husband and I had considered a few other options as well, like an SMSF, but I was impressed by CareSuper's fees, good investment results and management, so I chose to keep my super with the fund that was performing for me.

When I told my husband, Danny, about CareSuper's performance, he did a bit more digging to find out how CareSuper compared to other funds in terms of fees and returns. The end result was that he chose to join CareSuper too.

What has being with CareSuper meant for the pair of you?

CareSuper's always been good to us, whether that's through the support of the friendly office staff when making appointments, or the communications we've received. Knowing that CareSuper's continued to receive industry recognition has also been great, as it validates our positive feelings towards the Fund.

We've also attended many of CareSuper's seminars, which have helped us when it comes to our decision-making. Which means we've gotten to know CareSuper's CEO, Julie, a little better than most, as well!

"I was impressed by CareSuper's fees, good investment results and management, so I chose to keep my super with the fund that was performing for me."

Has CareSuper helped you with any big decisions lately?

We use one of CareSuper's financial planners, and his advice has always been paramount in our decisions. He's always the one who's provided us with the best recommendations for our retirement plans.

A recent example of a decision he helped us make is the Guaranteed Income product, which Danny and I took out, along with our Pension accounts. We're hopeful that layering our income will help us sustain our lifestyle after retirement, especially considering that government pension rules have changed recently.

And how do you imagine CareSuper will help you going forward?

Super has given us a safe investment path to have enough finances for a comfortable retirement, which we wouldn't have been able to do on our own. We believe CareSuper will help us by continuing to deliver strong performance.

What are you going to enjoy doing in your retirement?

Danny's been able to start painting again, which he's always loved to do. As for me, I'm happy spending time with our grandchildren and catching up with friends, as well as going to support Richmond in the AFL. We'd also like to do a bit more travelling. We've visited America, the United Kingdom, Ireland and other parts of Europe before, but there's plenty left to see!

what's your story?

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

CareSuper invites you to

JOIN US ONLINE

Receiving regular information via email can help you understand your super better.

Simply enter your member number and email address at **caresuper.com.au/myemail** to join our mailing list.

See you there!

get in touch

Call CareSuper PensionLine **1300 664 781**

Visit caresuper.com.au

Email pension@caresuper.com.au

Write CareSuper Pension
Locked Bag 5042 Parramatta NSW 2124

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

FOREST MANAGEMENT · EMS ENVIRONMENTAL MANAGEMENT SYSTEMS · ECF ELEMENTAL CHLORINE FREE · ISO CERTIFICATION · RECYCLED CONTENT · LASER GUARANTEED

Pacesetter Laser Recycled 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.

CR/MAG/YOURTIME 717.5 07/17 ISS15