

2018 Annual Report

While you've
more to think
about than
super, we don't.



Lei
Member since 2008



Issued by CARE Super Pty Ltd (Trustee)
on 17 December 2018.
ABN 91 006 670 060 AFSL 235226
CARE Super (Fund) ABN 98 172 275 725
Level 18, 31 Queen Street, Melbourne VIC 3000



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Disclaimer: The information contained in this Annual Report is about CARE Super and is not intended as financial advice. It does not take into account specific needs, so you should look at your own personal position, objectives and requirements before taking any action. Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments. For a copy of the CARE Super Trust Deed (the legal document governing superannuation benefits in the fund), Financial Statements for the Trustee and the Fund or the Investment Policy Statements please go to our website. You can also ask for a copy to be sent to you. You should also obtain and read the Product Disclosure Statement before making any investment decision. If you would like to see these documents, please go to caresuper.com.au or call 1300 360 149.

Our year at a glance

Funds under management:

\$15 billion

Total members:

Over 240,000

OUTBOUND TEAM STATS:

Total campaign calls:

11,577



Welcome calls:

5,750



Total number of insured benefits paid:

755 claims

Totalling \$78 million

James
Member since 2017



SOCIAL MEDIA STATS:

Total Facebook impressions:

6.8m

Total Facebook engagements:

7,279

Financial planning:

1,638

meaningful interactions

Gulen
Member since 2018



Total members who received an e-statement:

138,400

(almost double compared to last year).

Total visits to CareSuper website:

Over 1.3 million



From the CEO

It's been another year of strong growth and progress for CareSuper. We approached the year with a long-term view, making decisions and evolving to shape our vision for the future.

Our returns were strong, with the Balanced option for super (and transition to retirement) members providing a return of 10.10% and the Balanced option for pension members returning 11.09% (after fees and taxes).[^] But even more pleasingly, our super Balanced option delivered the highest average annual return over 20 years for the period ending 30 June 2018 as well as a top-three return over 10 years.*

The world has changed a lot over 31 years and so have we. As we've grown, our members have become increasingly diverse, demonstrating a variety of ages, backgrounds, occupations, work patterns and lifestyles. This year we updated our brand to fit with our members' individuality and aspirations and better articulate our active, long-term approach to investment. Our new website complements the brand update, making it easier for members and employers to find the information they need to take control of their super.

This year we were awarded 5 stars from Canstar – one of only 7 Super funds to receive this recognition. SuperRatings recognised CareSuper as a top tier Platinum fund for the 15th year in a row and awarded us MySuper of the Year for 2018, indicating that in its opinion we were the top default fund in Australia. And just recently, SuperReview magazine and Heron named CareSuper as having the Best Pension Product.

For us, it's not about the trophy; it's about what it signifies. For members, that's a super fund that acts in their best interests to get the results that will make a difference to their future.

Over the last year we have been looking to the future! A market tender was conducted for administration services to ensure we can continue to innovate while providing value for money. As a result, we're moving to a new administration platform in the first half of 2019, which will deliver several changes, including extending the website to provide new online portals for super and pension members and a new mobile app. Daily unit pricing will be introduced, enabling investment switches to be processed every day, not just once per week. There will also be a new Direct Investment option platform for those who want to choose their own shares and term deposits.

While CareSuper takes environmental, social and governance factors into account in all of its investment strategies, those with a particular interest in sustainability will be interested in the upcoming improvements to the Sustainable Balanced option.

As you've seen, we don't stand still and neither does legislative change. The Federal Government announced several proposed new rules affecting superannuation accounts and insurance which, if legislated, may come into effect from 1 July 2019.

We have been working on a new default insurance package to provide members with a valuable safety-net level of death and TPD cover, taking into account industry-wide changes determined by a new Code of Practice and the Federal Government's budget announcements. The effective date of such changes depends on legislation passing.

Naturally it can take time to adjust to any change, no matter how big or small. Rest assured we'll communicate these changes to members in detail, continuing to monitor feedback and adjust where necessary.

Importantly, throughout all this change our purpose is unchanging – to advance our members to a better future in retirement.

Julie Lander
CEO

* SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2018; SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60-76) Index, June 2018.

[^] Past performance is not a reliable indicator of future returns.



From the Chair

CareSuper has had another successful year in 2017/18 and I thank the Board, Julie Lander, executives, staff and our service providers for their hard work in achieving this result.

The success of our fund has been built on the foundation of a culture of promoting members' interests above all else. We watched with intense interest the deliberations of the Productivity Commission as well as the exposures of the Royal Commission. We believe we are well positioned to respond to any legislative changes that may arise.

The work of both commissions revealed that industry funds have continued to significantly outperform retail funds.

As an industry fund run only to benefit members, CareSuper does not have to wrestle with the conflict of promoting shareholder interests above those of our members. We believe the structure of the Board, with equal numbers of member and employer-nominated directors, has maintained this focus.

During the year, Cate Wood completed her four-year term as Chair of the fund and I would like to thank

her for her dedication and leadership during this time. At the conclusion of Cate's term, I was appointed Chair and Julie Bignell was appointed Deputy Chair. The new appointments were made in line with CareSuper's policy, which provides for employer and member directors to nominate the Chair and Deputy Chair on a 4-year rotational basis.

I also acknowledge the service of Mark Sibree and Greg McLean, who both stepped down from the board during the year. Jeremy Johnson was appointed as an employer director while Sascha Peldova-McClelland joined the board as a member director in September 2018. Following these retirements, several changes were made to our board committees based on directors' knowledge and expertise.

CareSuper has held annual member updates for many years, providing a valuable opportunity for our members to hear about our performance, achievements and plans.

We have been around for over 30 years and we are proud of our position as a top-performing fund. In an ever-competitive world the challenges increase but our intention is to serve you, our members, in a manner that ensures that your interests are foremost.

Terry Wetherall
CareSuper Chair

Who we are

OUR PURPOSE, MISSION AND VALUES

CareSuper is Australia's largest industry super fund for professionals. We are driven by a clear and genuine purpose: we care about helping our members achieve their goals in life.

Over 30 years we have become the super fund of choice for professionally minded people, across all occupations and sectors, who want a high-performing fund that fits their needs and aspirations.

It's our mission to maximise sustainable financial outcomes for members during and after their working lives. We take a long-term approach, actively seeking the right investment opportunities in Australia and overseas to create strategies that deliver superior long-term performance.

Members' interests are at the heart of everything we do and we're constantly innovating to provide the best member experience. That's why

we offer a range of investment and insurance products to give members more choice and control. Plus, we make it easy for members to receive advice, when they need it, to make decisions about their futures.

SPiRiT is the backbone of CareSuper – it defines the values we believe in and how we behave. SPiRiT stands for service, professionalism, integrity, relationships, innovation and teamwork.

Find out more at caresuper.com.au

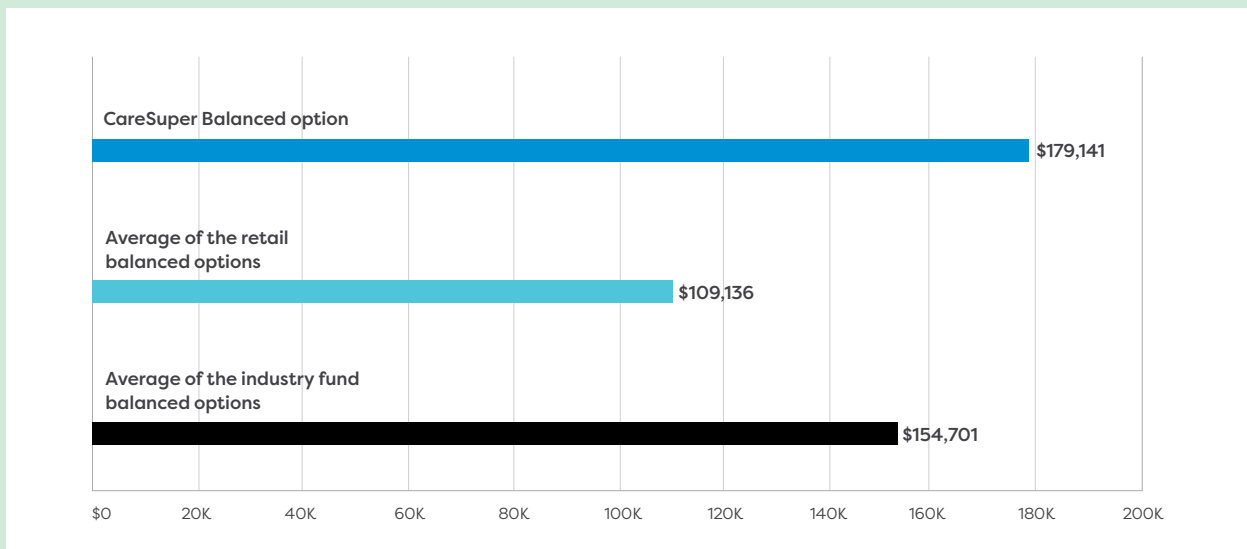
OUR NET BENEFIT

We're a 'profit to members' fund so we only charge fees to cover costs, not to make a profit to pay shareholder dividends.



While we work hard to keep our costs low, we're driven by providing quality services, relevant choices and strong results – not by being the cheapest – because we know that when it comes to our members' super it's the overall benefit that counts.

The result? Over 15 years to 30 June 2018, our Balanced option returned over \$70,000 more than the average of all surveyed retail funds and outperformed the average of all surveyed industry funds by over \$24,000.



Past performance is not a reliable indicator of future performance. Comparisons modelled by SuperRatings as at 30 June 2018, commissioned by CareSuper. Assumes a starting balance of \$50,000 and initial salary of \$50,000 and considers historical earnings and fees – excluding contributions, entry, exit and adviser fees. Compares the average difference in net benefit performance of CareSuper's Balanced option and the balanced options of up to 166 funds tracked by SuperRatings, including 45 funds with a 15-year performance history. Outcomes vary between funds. See caresuper.com.au/assumptions for more details about modelling calculations and assumptions. This information is general advice only. You should consider your investment objectives, financial situation and needs and read the product disclosure statement before making an investment decision.

Our awards



Our daily focus is doing our best for you. And yes, it feels good when our efforts are recognised by industry awards.



Canstar 5-Star Rating for Outstanding Value in Superannuation

Canstar has awarded CareSuper a 5-star rating for Outstanding Value in Superannuation, making us one of only seven funds in the country to be recognised with this top rating. We're delighted to be a part of the small group of high achievers that received a 5-Star Rating in 2018.



SuperRatings MySuper of the Year 2018

Awarded to the fund whose MySuper option offers the 'best value for money' for a default super product.



SuperRatings Growth Index award 2012-2017

Presented to the fund whose growth investment option has provided the top return over the past five years.



SuperRatings Platinum rating 2018

This is the highest rating possible offered by SuperRatings. We received it for our super, pension and MySuper products.



SuperRatings 10-year Platinum rating – super

Our super product has received a SuperRatings Platinum rating every year from 2008 to 2018.



Chant West 5 apples – Super and Pension 2018

5 apples is the highest rating given by Chant West and defines CareSuper as a 'highest quality fund'.



Heron Partnership 5-Star rating 2018/19

Awarded to our Pension, Personal and Employee Plan products every year since Heron commenced its assessments in 2006.

For more information on all of our awards, go to caresuper.com.au/awards.

CareSuper board

When looking after members' savings, good governance is essential.

The CareSuper Board has adopted the standards of the Australian Institute of Superannuation Trustees (AIST) Governance Code which promotes continuous improvement in governance practices and goes beyond regulatory requirements to ensure that AIST member funds champion members' interests through a positive and ethical culture, appropriate documentation including policies, charters and processes, open and full disclosure, appropriate board renewal, strong and relevant skills, fair and responsible remuneration, and rigorous processes for financial, risk management and investment governance. Compliance with the Code will be audited annually, requiring the Fund to submit a report to AIST. The Code exceeds any other industry code or principles for superannuation funds.

The Board is comprised of equal numbers of member and employer directors.

CareSuper Board members are chosen via a rigorous process. Having been proposed by one of the nominating organisations, such as an employer organisation or union or by the Board itself, the process includes a panel interview and assessment against a detailed statement of responsibilities, including experience, skills, qualifications and capability, as well as fitness and propriety requirements. A skills matrix is maintained and when vacancies occur, this is used to identify any gaps and to prioritise desired criteria in the selection process.

The Board evaluates its performance annually whereby Directors and members of the Executive team complete a questionnaire on factors that lead to effectiveness and good governance. This process was

completed in the year ending June 2018 and the results were used to debrief the combined group and identify issues for improvement. Progress on such issues was then tracked through Board meeting processes. Directors also met their minimum training requirements during the financial year.

Board decisions are made by at least a two-thirds majority.

During 2017/18, the CareSuper Board appointed employer director Terence (Terry) Wetherall as Chair and member director Julie Bignell as Deputy Chair. These changes are in line with our policy which provides for employer and member directors to nominate the Chair and Deputy Chair on a four-year rotational basis.

At 30 June 2018, there were five member directors and six employer directors on the Board, with one vacancy.



TERRY WETHERALL

Chair – Employer Director

Terry Wetherall is the Chair of CareSuper. He was the Deputy Chair of the fund from January 2017, until his appointment to Chair in April 2018. He is a director and committee member of the New South Wales Business Chamber (NSWBC), and a Director of the Australian Chamber of Commerce and Industry (ACCI).

Terry is involved in the property industry as director of property consultancy TCW Consulting. He holds membership in the Planning Institute of Australia and the Property Institute of Australia.

He is a long-time participant in the chamber of commerce community and is the immediate past president of ACCI. He is also a former President of the NSWBC.

Qualifications

- Graduate of the Australian Institute of Company Directors
- Associate Diploma in Valuation
- Graduate Diploma in Urban & Regional Planning

CareSuper board committee membership

- Governance and Remuneration Committee
- Development and Product Committee
- Investment Committee

The Chair attends meetings of other Committees on an ex officio basis.



JULIE BIGNELL

Deputy Chair – Member Director

Julie Bignell is the Deputy Chair of CareSuper and a professional Non-Executive Director. She sits on the board of Austin Health and is a past member of the board of the North Queensland Bulk Ports Corporation.

From 2000 to 2015 Julie was the Branch Secretary of the Central and Southern Queensland branch of the Australian Services Union (ASU). She also served as the ASU's National Vice President. She is a former Vice President of the Queensland Council of Unions and Assistant Secretary of the Queensland branch of Together.

Julie was nominated as a member director by the ASU. She brings extensive business planning and strategy skills to the board.

Qualifications

Bachelor of Arts in Modern Asian Studies (Economics and Japanese)

- Graduate Diploma of HR/IRM
- Fellow of the Australian Institute of Company Directors

CareSuper board committee membership

- Chair, Governance and Remuneration Committee
- Development and Product Committee
- Investment Committee
- Benefit Payments Sub-committee



CHRIS CHRISTODOLOU

Member Director

Chris Christodoulou is the Chief Executive Officer of Greenacres Disability Services. He worked at Unions NSW from 1999 to 2013, first as a Senior Industrial Officer and later as Assistant Secretary. He was a director of Asset Super until it merged with CareSuper in 2012.

Chris was nominated as a member director by Unions NSW. He is highly skilled in management, governance and strategic planning and has a thorough understanding of how membership organisations operate.

Qualifications

- Bachelor of Arts (Industrial Relations), Wollongong University
- Trade Union Program (Harvard University)

CareSuper board committee membership

- Governance and Remuneration Committee
- Development and Product Committee



KEITH HARVEY

Member Director

Keith Harvey is the chair of Aspire Learning Resources, a not-for-profit publisher specialising in training materials for the business and community service sectors.

For over 30 years, Keith has acted in the best interests of workers through his roles with the Federated Clerks Union (FCU) and the Australian Services Union (ASU).

He is highly experienced in superannuation, industrial relations, management and strategic business planning.

Qualifications

- Bachelor of Arts (majors in Economics and Politics)
- Graduate, Australian Institute of Superannuation Trustees
- Certificate IV, Assessment and Workplace Training
- Harvard University, Cambridge, Mass., USA – Trade Union Program

CareSuper board committee membership

- Chair, Member and Employer Services Committee
- Development and Product Committee
- Chair, Benefit Payments Sub-committee

CareSuper board (continued)



CATHERINE [CATE] WOOD

Member Director

Cate Wood is an experienced Director, specialising in superannuation. She holds positions on numerous boards, including Industry Super Australia, ISPT Pty Ltd, IIPT Pty Ltd and the Mother's Day Classic Foundation. She is also a director and the National Chair of Women in Super.

Previously Cate was the CEO of AGESt Super and the Trade Union Training Authority.

Cate was nominated as a member director by the Australian Services Union (ASU). She has extensive knowledge in superannuation, governance and industry.

Qualifications

- Bachelor of Arts (Social Sciences), La Trobe University
- Fellow of AIST
- Graduate of AIST

CareSuper board committee membership

- Member and Employer Services Committee
- Development and Product Committee
- Investment Committee



DR JEREMY JOHNSON

Employer Director

Dr Jeremy Johnson is the Chair of the Central Highlands Water Board, the President of the Australian Chamber of Commerce and Industry and a Member of the Ministerial Advisory Council on Skilled Migration. He is also a qualified company secretary.

From 1972 to 1994 he worked in local government, including as Shire Secretary and Treasurer for the Shires of Ballan and Ballarat. In 1995 he joined the outdoor museum Sovereign Hill as Deputy Executive Director, where he later served as Chief Executive Officer from 2002 until 2018.

Jeremy is an active member of his local community. He is the Honorary Secretary/Treasurer of the Arch of Victory Avenue of Honour Committee Ballarat and served five terms as President of the Ballarat Club.

He was nominated to the CareSuper Board by the Victorian Chamber of Commerce and Industry.

Qualifications

- Member, Australian Institute of Company Directors
- Fellow, Governance Institute of Australia (FGIA)
- Diploma of Business Studies, Royal Melbourne Institute of Technology (RMIT)
- Justice of the Peace

CareSuper board committee membership

- Member and Employer Services Committee
- Benefit Payments Sub-committee



MICHELLE GARDINER

Member Director

Michelle is a seasoned industry expert, with over 30 years' experience in financial services.

From 1994 to 2000 she worked at Rothschild Australia at a senior level, including in business development and product management. She later moved to Queensland where she joined a state-based super fund as the CEO of its subsidiary advice service. In 1994 Michelle joined CANNEX as the head of its banking product research and was subsequently appointed Acting General Manager.

Michelle was nominated as a member director by the Shop, Distributive and Allied Employees' Association (SDA). She brings in-depth knowledge of funds management, asset consultancy and research and strategic planning to the board.

Qualifications

- Diploma of Arts (Anthropology), University of Queensland
- Graduate of the Australian Institute of Company Directors
- Master of Business (Banking & Finance), University of Technology Sydney
- Diploma of Financial Planning, Deakin University
- Bachelor of Economics, Macquarie University

CareSuper board committee membership

- Chair, Investment Committee
- Compliance, Audit and Risk Management Committee



CLAIRE KEATING

Employer Director

Claire Keating is the Chair of Finance, Investment and Infrastructure at Yooralla. She is also a qualified Chartered Accountant and experienced director, who sits on the board of multiple financial services organisations.

She was a Partner at PricewaterhouseCoopers (PwC) from 2002 to 2016. She held senior roles at PwC, including Melbourne lead and Partner for PwC's Financial Services Assurance Practice and the National leader of the PwC Investment Management Assurance sector. From 1998 to 2002 she acted as a member-elected director on the board of PwC's super fund.

Claire is an active supporter of leading super industry bodies, such as the Australian Institute of Superannuation Trustees. With over 25 years' experience in funds management, she is highly knowledgeable in superannuation administration and risk management.

Qualifications

- Member of The Institute of Chartered Accountants in Australia
- Graduate of the Australian Institute of Company Directors
- Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology
- Diploma of Superannuation Management, Association of Superannuation Funds of Australia, Macquarie University

CareSuper board committee membership

- Chair, Compliance, Audit and Risk Management Committee
- Member and Employer Services Committee

CareSuper board (continued)



KATHERINE SAMPSON

Employer Director

Katherine is the managing director and principal of Mahlab Recruitment (Vic) Pty Ltd, a specialist legal recruitment firm. She joined the firm after a career in law at Corr & Corr.

Katherine has served on a number of boards and committees, including the Monash Law School Foundation, the Walter & Eliza Hall Institute Ethics Committee, the Melbourne International Arts Festival and Deputy Chair of the Australian Press Council.

Qualifications

- Bachelor of Arts (Hons), Monash University
- Bachelor of Laws, Monash University
- Graduate of the Australian Institute of Company Directors

CareSuper board committee membership

- Development and Product Committee
- Governance and Remuneration Committee



GABRIEL SZONDY

Employer Director

Gabriel is the director and Chair of Frontier Advisers and a qualified Chartered Accountant. He was a Senior Partner at PricewaterhouseCoopers (PwC), where he specialised in superannuation and tax.

Gabriel has over 30 years' experience in the superannuation industry and became a board member in 2001. He brings substantial investment and taxation knowledge to the board.

Qualifications

- Diploma of Business Studies (Commerce), Gordon Institute of Technology (now Deakin University)
- Fellow of the Association of Superannuation Funds in Australia

CareSuper board committee membership

- Investment Committee



ANDREA WATERS

Employer Director

Andrea is a professional Non-Executive Director. She serves on a number of boards, including CityWide. She is also a qualified Chartered Accountant.

Andrea spent 28 years at KPMG, where she was Partner – Financial Services Audit from July 1996 to July 2012.

She brings in-depth knowledge of finance, accounting and compliance and risk to the board.

Qualifications

- Bachelor of Commerce, Melbourne University
- ICAA Professional Year
- Graduate Member, Australian Institute of Company Directors
- Fellow, Institute of Chartered Accountants in Australia

CareSuper board committee membership

- Investment Committee
- Compliance, Audit and Risk Management Committee



ASSOCIATED DIRECTORSHIPS

During 2017/18, some of our directors and executives held board positions with organisations we've engaged, invested or partnered with.

CATE WOOD

- Director, ISPT Pty Ltd (remunerated position), IFM Shareholder Advisory Board (remunerated position – paid to CareSuper)
- Director, IIPT, Industry Super Australia Pty Ltd, Women in Super and Mother's Day Classic Foundation (non-remunerated positions)

TERRY WETHERALL

- Director, NSW Business Chamber Ltd
- Director, Australian Chamber of Commerce and Industry (ACCI)

JULIE BIGNELL

- Director, Australian Council of Superannuation Investors (ACSI)

JULIE LANDER

- Director, AIST
- Director, Fund Executives Association Limited (FEAL)
- Director, Business Council of Co-operatives and Mutuals (BCCM)

GABRIEL SZONDY

- Director, Frontier Advisors Pty Ltd

JEREMY JOHNSON

- Director, Australian Chamber of Commerce and Industry (ACCI)

BOARD COMMITTEES

Our Board has established several committees to help meet its obligations and oversee certain fund operations.

All directors are required to serve on at least one and generally two committee for which they receive a fee. The chair is a member of two committees and attends other committee meetings on an ex officio basis.

COMPLIANCE, AUDIT AND RISK MANAGEMENT COMMITTEE

The Compliance, Audit and Risk Management Committee's purpose is to assist the Board in meeting its compliance and risk management responsibilities. The committee's main activities include:

- Internal and external audit monitoring
- Various policy document reviews
- Ongoing monitoring of all risks within CareSuper's Risk Management Framework.

GOVERNANCE AND REMUNERATION COMMITTEE

The Governance and Remuneration Committee's key tasks include:

- Various policy document reviews
- Ongoing monitoring of the risks designated to the committee
- Training for directors – planning for the year based on skills matrix and competency assessment
- Review of intended governance changes by the Federal Government
- Approval of the remuneration budget for staff, executive salaries and the remuneration structure for Directors
- Review of board and committee structures and delegations.

INVESTMENT COMMITTEE

The Investment Committee's primary function is to monitor the implementation of CareSuper's

investment strategy and investment operations within the framework approved by the board. It is responsible for the ongoing review of all external providers who manage CareSuper's investments.

MEMBER AND EMPLOYER SERVICES COMMITTEE

The Member and Employer Services Committee is responsible for overseeing:

- Our administration function, policies and services
- Our insurance management framework and strategy and the performance of outsourced providers
- CareSuper's insurance policies
- Risk elements that may arise in relation to relevant areas.

DEVELOPMENT AND PRODUCT COMMITTEE

The purpose of the Development and Product Committee is to oversee CareSuper's:

- Marketing, education and communications strategies
- Member and employer engagement strategies
- Growth initiatives including consideration of fund mergers
- Product strategy, including significant changes to product features and benefits
- The performance of our ancillary product providers.

CareSuper board (continued)

BOARD AND COMMITTEE REMUNERATION

The Board brings to the table specialist skills and experience to ensure CareSuper is professionally governed. Director remuneration is set using a total annual fee approach for both board and committee work. If a director is a chair, deputy chair or committee member, their fees reflect the additional time and commitment necessary to carry out these duties. Committee member fees are commensurate with the number of meetings normally scheduled for each committee. Most directors serve on more than one committee.

The target level of income for directors and chairs is guided by the median remuneration paid for these roles in 'profit to members' funds of a similar size, taking into account funds under management, membership and contribution levels.

Directors	Short-term employment benefits – Directors fee	Post-employment benefits – superannuation	Fees paid to	Total
Terence (Terry) Wetherall (Chair) ¹	2017/18 – \$78,673.83 2016/17 – \$61,974.53	2017/18 – \$7,474.04 2016/17 – \$5,887.62	Director	2017/18 – \$86,147.87 2016/17 – \$67,862.15
Julie Bignell (Deputy Chair) ²	2017/18 – \$69,276.54 2016/17 – \$64,772.35	2017/18 – \$6,581.31 2016/17 – \$6,153.36	Director	2017/18 – \$75,857.85 2016/17 – \$70,925.71
Catherine (Cate) Wood ³	2017/18 – \$93,560.73 2016/17 – \$97,824.00	2017/18 – \$8,888.25 2016/17 – \$9,293.28	Director	2017/18 – \$102,448.98 2016/17 – \$107,117.28
Katherine Sampson	2017/18 – \$58,267.59 2016/17 – \$54,422.40	2017/18 – \$5,535.38 2016/17 – \$5,170.11	Director	2017/18 – \$63,802.97 2016/17 – \$59,592.51
Chris Christodoulou	2017/18 – \$53,544.12 2016/17 – \$52,372.09	2017/18 – \$5,086.68 2016/17 – \$4,975.34	Director	2017/18 – \$58,630.80 2016/17 – \$57,347.43
Keith Harvey	2017/18 – \$63,204.30 2016/17 – \$62,156.20	2017/18 – \$6,004.38 2016/17 – \$5,904.84	Director	2017/18 – \$69,208.68 2016/17 – \$68,061.04
Gabriel Szondy	2017/18 – \$62,723.04 2016/17 – \$59,954.76	2017/18 – \$5,958.72 2016/17 – \$5,695.67	Director	2017/18 – \$68,681.76 2016/17 – \$65,650.43
Andrea Waters	2017/18 – \$51,554.04 2016/17 – \$50,739.00	2017/18 – \$4,897.68 2016/17 – \$4,820.19	Director	2017/18 – \$56,451.72 2016/17 – \$55,559.19
Michelle Gardiner	2017/18 – \$59,481.00 2016/17 – \$55,614.00	2017/18 – \$5,650.68 2016/17 – \$5,283.35	Director	2017/18 – \$65,131.68 2016/17 – \$60,897.35
Claire Keating ⁴	2017/18 – \$62,960.04 2016/17 – \$28,337.52	2017/18 – \$5,981.16 2016/17 – \$2,692.04	Director	2017/18 – \$68,941.20 2016/17 – \$31,029.56
Jeremy Johnson ⁵	2017/18 – \$29,402.52 2016/17 – \$0	2017/18 – \$2,793.24 2016/17 – \$0	Director	2017/18 – \$32,195.76 2016/17 – \$0
Gregory McLean ⁶	2017/18 – \$47,257.87 2016/17 – \$47,761.02	2017/18 – \$4,489.54 2016/17 – \$2,811.76	Director ASU	2017/18 – \$51,747.41 2016/17 – \$50,572.78
Mark Sibree ⁷	2017/18 – \$30,726.54 2016/17 – \$60,872.20	2017/18 – \$2,919.00 2016/17 – \$5,782.87	Director	2017/18 – \$33,645.54 2016/17 – \$66,655.07
Graeme (Sandy) Grant ⁸	2017/18 – \$0 2016/17 – \$49,536.04	2017/18 – \$0 2016/17 – \$4,705.95	Director	2017/18 – \$0 2016/17 – \$54,241.99

¹ Appointed Deputy Chair 1 January 2017, Appointed Chair 1 April 2018

² Appointed Deputy Chair 1 April 2018

³ Ceased as Chair 1 April 2018

⁴ Commenced 1 January 2017

⁵ Commenced 1 January 2018

⁶ Ceased 31 May 2018, Ceased as employee of ASU effective 30 June 2017 (fees paid to Director from 1 July 2017)

⁷ Ceased 31 December 2017

⁸ Ceased 31 March 2017

Compliance & risk management

As you would expect, governance and risk are key priorities for CareSuper. We've established rigorous standards, policies and procedures to make sure all aspects of the Fund's operations and investments are managed openly, honestly and according to the law.

THE TRUSTEE

The trustee of CareSuper (the Fund) is CARE Super Pty Ltd (the Trustee). The Trustee's ABN is 91 006 670 060, and its Australian financial services licence number is 235226.

The Trustee has an indemnity insurance policy in place to protect its directors from potential costs of legal action. It is a Registered Superannuation Entity licensee, licence number L0000956, and is authorised to offer a MySuper product. Its MySuper identification number is 98172275725867.

The Trustee's approach to managing the Fund is detailed in its governance policies and documents. These documents include, but are not limited to, the Fund's Trust Deed, Board and Committee Charters and the Trustee Company's Constitution.

They outline the powers and responsibilities vested in the Trustee, as well as the rules for how the Trustee operates. This includes provisions for the appointment and removal of directors. The Board Charter outlines the principle functions, policies and operations of the CareSuper Board.

CHANGE TO CONSTITUTION

In October 2017, we amended our Constitution to require voting rights of all Trustee directors to be equal, regardless of their status as a member- or employer- representative director, or non-representative (independent) director. This change was to align with the AIST Governance Code.

PRIVACY POLICY

The Trustee updated the Fund's privacy policy effective November 2017.

COMPLIANCE

CARE Super is a regulated superannuation fund under the Superannuation Industry (Supervision) Act 1993 (Cth). The Trustee will continue to operate in accordance with all statutory requirements of superannuation, taxation and other relevant legislation.

RISK MANAGEMENT FRAMEWORK

As part of our overall governance strategy, we've developed a risk management framework that covers risks across all operations. The framework is actively managed and reviewed by the Board and committees. The material risks covered by this framework include investment governance, liquidity, insurance, fraud, operations, strategy and outsourcing. In addition, ongoing monitoring includes a risk radar to identify any potential future risks.



Our workplace

OUR EXECUTIVE TEAM

The CareSuper executive team is united by a shared commitment: to manage CareSuper's day-to-day operations in our members' best interests. All executives have clear goals and their performance is formally reviewed at least once a year.



JULIE LANDER
CEO

'Over 250,000 Australians trust us with their super. That's a responsibility we take very seriously.'

Julie is the CEO of CareSuper. She's in charge of developing a business strategy and plan designed to help members and employers get the most out of their super fund. She oversees the implementation of these plans across the fund, with the support of the executive team.

Julie has over 30 years' experience in superannuation, across both corporate and industry super funds. She joined CareSuper in 2001. Previously she worked in human resources in manufacturing membership organisations and in professional services. She was the National HR Manager for a major employer organisation.

Julie holds a Bachelor of Business and is RG146 qualified. She is a Director of AIST, where she also serves on the Policy Committee. In addition, she is a Director of the Fund Executives Association Limited and the Business Council of Co-operatives and Mutuals.



SUZANNE BRANTON
Chief Investment Officer

'Just like our members, I'm in this for the long-term.'

As Chief Investment Officer, Suzanne is responsible for managing CareSuper's \$15 billion investment portfolio. She works with a team of internal investment analysts and external fund managers and advisers to maximise members' returns, while maintaining a strong focus on governance.

Suzanne has over 25 years' experience in financial markets, primarily in direct investment roles within superannuation and asset management. She has extensive, expert knowledge of portfolio management across asset classes and is experienced in portfolio strategy and design, asset allocation, manager research and selection.

Suzanne joined CareSuper in 2015. She previously worked in senior positions at Goldman Sachs, JBWere and another industry fund. She holds a Bachelor of Economics (Honours), a Graduate Diploma of Applied Finance and is a Fellow of the Financial Services Institute of Australasia.



MARK LYONS
Executive Manager – Corporate Services

'A positive internal culture helps us build momentum, and in turn, create growth for members.'

As Executive Manager – Corporate Services, Mark is responsible for developing and implementing CareSuper's operational strategy across its people and culture, business intelligence, corporate finance and technology departments.

Mark has over 30 years' experience working in financial services and other highly regulated industries. Before joining CareSuper in 2017, he held senior management positions in banking and local government, where he focused on delivering superior customer outcomes and business performance. His extensive experience includes corporate planning, governance, asset management and business improvement.

Mark holds a Bachelor of Business and a Master of Business Administration. He is a qualified accountant and a member of CPA Australia.



PAUL NORTHEY

Executive Manager – Relationships & Growth

'Building valuable partnerships that last the distance is a huge part of what my team does.'

Paul is CareSuper's Executive Manager – Relationships & Growth. He drives the fund's growth and retention strategies and leads the client and member facing teams.

Paul's experience includes senior executive roles in superannuation and funds management, financial planning, general and life insurance and banking. He was previously the General Manager of RACV Insurance and prior to that, the Director of Wealth Management for a prominent international banking group. He also led the distribution and marketing teams of major wealth management firms.

He joined CareSuper in 2017.

Paul holds a Bachelor of Business and a Diploma of Financial Planning. He is a graduate of the Senior Executive Programme at the London Business School and studied executive development at the Wharton School of Business in Philadelphia.

Paul is a member of the Australian Institute of Company Directors.



BELINDA RAY

Executive Manager – Governance & Risk

'We protect the things that matter – like your money, and the way it's managed.'

Belinda leads CareSuper's Compliance and Risk team in identifying and managing governance and risk. She is also the corporate company secretary.

Belinda has over 18 years' experience in superannuation consulting, auditing and accounting, starting as an auditor for Ernst & Young. Later, she moved on to hold several senior roles at Towers Watson, including Senior Consultant for corporate super funds and Head of Research, Information and Compliance. She joined CareSuper in 2012.

Belinda holds a Bachelor of Business (Accounting and Information Systems) and is a member of the Institute of Chartered Accountants in Australia.



RACHEL REYNOLDS

Executive Manager – Operations

'We don't just focus on keeping the wheels turning. We look for ways to make the ride smoother.'

As Executive Manager – Operations, Rachel is responsible for ensuring CareSuper's services continue to meet the evolving needs of members and employers in a cost-efficient fashion. She leads and oversees the operational strategy of the fund's administration and insurance products.

Rachel has close to 20 years' experience in the superannuation industry, and first joined CareSuper in 2015. She previously worked in operations management at law firms and other superannuation funds.

Rachel holds an Advanced Diploma of Financial Services (Superannuation). She has also completed several continuous improvement programs, focused on delivering efficient and effective processes and services.



PETER THEODORAKOPOULOS

Executive Manager – Marketing & Brand Strategy

'We'll listen to your individual definition of success, then provide you with the tools to achieve it.'

Peter is Executive Manager – Marketing & Brand Strategy. He's responsible for overseeing CareSuper's marketing strategy. He also manages member and employer communications, educational resources, business support and a range of additional benefits offered through the fund, like tax support and home and contents insurance.

Peter has over 20 years' experience in the superannuation industry, and joined CareSuper in 2002. He's held roles in marketing, sales, relationship management, sponsorship agreements and product development for both corporate and industry super funds.

He is RG146 qualified and a Fellow of the Association of Superannuation Funds of Australia.

Our workplace (continued)



GOOD TO GREAT

We're always striving to ensure that CareSuper is a great place to work as we believe engaged employees do the best work for members. Each year we survey our staff to see how they view working at the fund and we're pleased to report they are strongly engaged and aligned with our purpose. This year we created a new cross-functional working group aimed at taking our workplace from 'good to great'.

Using the results of the engagement survey, the Good to Great working group identified scope for further improvement and was responsible for several initiatives this year, including a program to encourage employees to take better care of their health and ways in which staff can contribute to the wider community.

DIVERSITY ENHANCES RESULTS

It's our view that having a broad range of views and experiences represented at board, executive and staff level is essential for quality decision-making and we consciously seek diversity across gender, age, skills and professional backgrounds. Therefore, we have adopted a Diversity and Inclusion Policy.

When we're seeking to fill director vacancies we ask nominating organisations to consider gender diversity, along with skills criteria, when proposing candidates. We recruit staff on merit, considering the skills, qualifications, experience and other attributes required to perform the role and contribute to the team and we consider gender balance when recruiting and promoting staff. Through the annual remuneration review, analysis is conducted on outcomes based on gender and other factors. CareSuper offers flexible work practices to enable staff with family responsibilities and for other reasons to work non-standard hours or from home. We're proud of the diversity of our team, noting the gender-based statistics below.

Gender diversity at 30 June 2018

Category	Women	Men
Board	6	5
Executive team	4	3
Middle managers	7	6
Other staff	43	34

Gender split by age

Category	20-29	30-39	40-49	50+
Male	9	17	23	4
Female	5	38	18	3

HOW WE REMUNERATE OUR STAFF

Our remuneration policy directs that:

- We provide staff with a fair, equitable and competitive remuneration framework that recognises and rewards individual contribution
- We attract, retain and reward our people appropriately
- Our remuneration reflects the market we compete in for the capabilities we require
- Our remuneration is consistent with our values and profit-to-members ethos.

We remunerate our staff via fixed salary packages. Each position is assessed on the skills, experience, level of responsibility and other relevant factors required to fulfil the role.

Annually, we source relevant market data to benchmark the salaries of each position within our trustee office. All staff are paid within the range for their role. The annual salaries budget and total increases are approved by our Governance and Remuneration Committee.

Staff total salary package range at 30 June 2018

Salary range	Number of staff
\$50,000 - \$100,000	34
\$100,000 - \$200,000	54
\$200,000 - \$300,000	6
\$300,000 - \$400,000	2
\$400,000 - \$600,000	1

Our service providers

We believe it's important to partner with the best possible providers to fit with our members' needs.

This year we conducted tenders for both our administration and tax advice services, which resulted in the appointment of Mercer as our new administrator from 29 March 2019 and Deloitte as our new tax adviser from 1 July 2018.

We apply rigorous due diligence processes before appointing (and when reviewing) service providers and ask them to attest to their relevant credentials and meeting compliance requirements annually.

All material service providers, as well as Mercer and Deloitte, provided their relevant attestations for the 2017/18 year. We've listed our significant service providers below.

SERVICE PROVIDERS

CareSuper's service providers during 2017/18 included:



Administration

Australian Administration Services Pty Limited

Asset consultant

JANA Investment Advisers Pty Ltd

Auditors – external

KPMG (CARE Super Pty Ltd)
PricewaterhouseCoopers (CARE Super)

Auditor – internal

KPMG

Credit control services

Industry Funds Credit Control

Custodians

NAB Asset Servicing
Pacific Custodians Pty Limited

Insurer

MetLife Insurance Limited

Insurance adviser

IFS Insurance Solutions Pty Ltd

Legal advisers

Greenfields Financial Services
Lawyers (Melbourne)
Hall & Wilcox Lawyers
Holding Redlich

Tax adviser

KPMG



Corporate responsibility & sustainability

We understand the way we operate and invest not only affects the financial outcomes of our members, but the environmental, social and economic conditions of their later years and those of future generations.

ENHANCING THE EXPERIENCE OF MEMBERS AND EMPLOYERS

Our goal is to build enduring relationships with our members and employers by continually adding value. We measure member and employer satisfaction through regular surveys and reporting on a wide range of metrics. This year, our net promoter score results were very strong and our satisfaction survey showed that over 90% of members were 'highly satisfied' with our customer service.

INVESTING RESPONSIBLY

While it's our job to maximise investment returns for members over the long term, how we achieve our returns is also important. Our Responsible Investing Policy outlines how we manage environmental, social and governance (ESG) risks.

We:

- Require our investment managers to consider ESG factors when selecting and holding investments. This includes a requirement for them to identify and assess climate change risks and opportunities in their investment analysis
- Exercise our voting rights at company meetings and use our influence to support positive corporate behaviours and drive improved ESG practices
- Participate in collaborative initiatives, most notably as a member of the Australian Council of Superannuation Investors (ACSI), which engages directly with Australian companies on ESG issues
- Are a signatory to the Principles for Responsible Investment (PRI), which is a United Nations-supported initiative
- Invest in projects and businesses that contribute to the broader community. These include aged care, schools, healthcare, renewable energy and water-related investments
- We aim to exclude tobacco manufacturing companies from all our portfolios and are a signatory to the Tobacco Free Finance Pledge
- Monitor CareSuper's investments on an ongoing basis.





ENGAGING AND COLLABORATING WITH INDUSTRY-LEADING PARTNERS

We apply rigorous due diligence processes before appointing (or when reviewing) material outsourced providers and other business partners, in accordance with our Outsourcing Policy. As part of our due diligence process, we ask our partners to provide annual attestations to their relevant credentials. Each of our service providers gave the relevant attestations for 2017/18.

EDUCATING AND INFORMING MEMBERS

In line with our objective to help our members achieve their goals in life, we take seriously our responsibility to educate, inform and advise them on superannuation and related topics so that they can make better financial decisions and achieve their desired outcomes. Education and information is available via several channels ranging from face to face engagement at workplaces or public seminars, website, direct mail and email communication. General, limited, comprehensive and complex advice is also provided.

In 2017/18, 1385 members attended a total of 28 CareSuper events and there were 1638 meaningful interactions with the financial planning team.

FOSTERING AN ENGAGED, HIGH-PERFORMANCE WORKPLACE

It's important to provide a positive, supportive and collaborative workplace where employees are proud to work, motivated to achieve and have equal opportunity and fair treatment.

This year's staff engagement survey showed strong engagement results in the top quartile of surveyed entities.

Some of our results included:

- 87% of staff strongly agreed they were proud to work at CareSuper
- 88% strongly agreed their work group has a strong customer service culture and that it works well to achieve common goals
- 88% strongly agreed that management acts with integrity.

Other results showed a commitment to performance, productivity and customer focus.

Attracting, retaining and developing skilled employees who embody our goals and values is also very important to us. Our staff turnover rate for the 2018 calendar year is currently sitting at 10%, compared with the industry average of 18%.

Comprising representatives from every team, the Good to Great working group was responsible for several initiatives this year, including recognition for staff who demonstrate our SPIRIT values and a new employee health & wellbeing benefit.

OPERATING SUSTAINABLY

Our operational footprint is small, but we are always looking for ways to reduce our use of resources and minimise waste.

This year we continued to implement a range of sustainability measures, including:

- Our comprehensive recycling system
- Encouraging staff to use online communications and reporting systems
- Energy efficient workspaces and consideration of energy ratings when purchasing appliances
- Purchasing carbon offsets for travel.

CONTRIBUTING TO THE WIDER COMMUNITY

We exist as part of a broader community and so do our members. So, while as a profit to members fund we don't donate money to charities, we provide opportunities for personal donations to selected causes and for personal commitments to volunteering.

Community engagement continued in 2018 with our staff regularly donating blood and participating in community events such as the Mother's Day Classic which we sponsor. Our staff contributed \$465.80 towards our CEO's impressive fundraising total of \$22,587.

Several staff also contributed to the industry through membership of policy committees and participation in public forums.

EXHIBITING THE HIGHEST STANDARDS OF GOVERNANCE

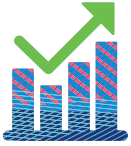
We respect human rights, oppose corruption, and wholeheartedly abide by both the letter and spirit of applicable laws, rules and regulations across our operations and investments.

In 2018, we adopted AIST's new Governance Code. Adherence to the Code requires annual reporting and compliance review.

BEING ACCOUNTABLE

Trust and affinity can only be won by doing what we say we'll do, and by continuously striving for improvements and superior results for members and employers. We make sure we're accountable for our actions and performance by disclosing them on our website, financial statements, annual reports and product disclosure statements.

Our investment philosophy



Our investment philosophy guides the way we invest our members' money. It combines key principles to give you consistent, strong returns.

1 Our investment strategy transcends short-term trends

We don't get distracted by short-term market events. In fact, we're always looking to your future. We're here to give you real growth over time, so you can enjoy years of income from your super.

2 We actively manage investments

We search for the best investment opportunities in Australia and overseas. And we add extra value by choosing specialised investments that we believe have potential to outperform the market. Not every super fund can do this, but our size means we can secure prime investments, as well as niche opportunities. All of this means we strive to add to your return and reduce risk. We put our historically strong returns* down to our active management approach.

3 We diversify your super

The best defence against unpredictable investment markets? Diversification. We spread investments in the Managed Options across a mix of asset classes, so your returns don't rely on a single asset class performing well all the time. Explore how CareSuper's investment options give you diversification across and within asset classes.

4 We protect your savings

There will be ups and downs over the life of your super. It's how we prepare for changes that matters. We employ strategies that aim to minimise the impact of negative returns when the market falls. This is called 'downside protection'. Protecting against downside risk means we're better prepared for market downturns, and you can be more confident about recovering losses.

5 We invest sustainably

We consider environmental, social and governance (ESG) factors when choosing investments. And we ask our investment managers to do the same. Along with economic and market-related factors, we believe that ESG factors are important as they can have a long-term impact on how your super performs.

*Past performance is not a reliable indicator of future performance.



Our investment approach

OUR INVESTMENT STRATEGIES

CareSuper's assets are managed according to the investment strategy for each investment option that has specified asset allocation benchmarks or, in the case of the Managed options, an asset allocation range. We develop our investment strategies after considering CareSuper's overall circumstances and membership demographics, current market conditions and all applicable legislation.

We also consider the following objectives in establishing an investment strategy:

- Produce real capital growth and income over time
- Manage investments with a defensive strategy
- Produce less volatile returns relative to peers
- Provide competitive returns
- Provide commensurate return for risk
- Manage liquidity
- Responsible investing, including the consideration of environmental, social and corporate governance issues
- Tax-effectiveness
- Costs.

We select and appoint professional investment managers to invest members' assets in line with the strategies for our investment options. Within most asset classes, we've diversified the management of investments across several investment

managers (and varying investment styles) with the aim of moderating the volatility in the overall return of the asset class. We don't manage any investments internally, except for term deposits and the cash flow required for day-to-day operations. Licensed investment consultants advise and assist us with all investment matters including the selection of investment managers whose investment objectives must be consistent with our requirements. Constraints applied to the managers are consistent with our objectives and philosophy.

INVESTMENT RISK

All investments have varying degrees of risk and can change in value. Risk can mean either a fall in the value of an investment, particularly over shorter periods, or an investment not meeting its investment objectives over the long term. Some of the most significant risks for investing are:

- Inflation
- Liquidity
- Financial loss.

Read our **Investment Guide** or the **Pension Guide** for more information.

DERIVATIVES

Investment managers may use futures, options and other derivative instruments to enhance returns or manage risk. However, these instruments may not be used to leverage the fund or to cause overall exposure to any asset class or combination of classes to breach the long-term strategic ranges.

VOTING

Owning shares in many different companies gives us the right to have a say in how they are managed.

By exercising our voting rights on a range of different resolutions at companies' annual general meetings, we aim to maximise value for CareSuper members by using our influence to support positive corporate behaviour and drive improved ESG practices.

When voting on Australian Shares, we generally follow the guidelines provided by the Australian Council of Superannuation Investors (ACSI) on all non-investment related resolutions for stocks within the S&P/ASX 200 Index. ACSI provides independent research and advice to super funds on the environmental, social and corporate governance risk of companies in which they invest. When voting on financial-related issues, we seek guidance from its investment managers. If an investment manager holds shares outside the S&P/ASX 200 Index, that manager is expected to vote on resolutions at its own discretion.

See how we voted at caresuper.com.au/we-vote-protect-your-interests

Our investment approach (continued)

INVESTMENT EXPOSURES

At 30 June 2018 the following investment managers held more than 5% of CareSuper's assets.

IFM Investors	8.24%
- IFM Enhanced Index Equities	4.87%
- IFM Australian Infrastructure Fund	1.82%
- IFM Specialised Credit Fund	0.97%
- IFM International Private Equity Fund III	0.27%
- IFM Infrastructure Debt	0.26%
- IFM Australian Private Equity Fund IV	0.03%
- IFM International Private Equity Fund II	0.03%
- IFM Australian Private Equity Fund III	0.00%
- IFM International Private Equity Fund I	0.00%
Schroders Investment Management Australia	8.09%
- Schroder Australian Equities	4.67%
- Schroder Global Dynamic Blend	3.42%
MFS Global Equity Trust	6.04%
Colonial First State Australian Cash	6.02%

RESERVE ACCOUNTS

CareSuper maintains reserves designed to provide for known and potential commitments and contingencies. We maintain two reserve accounts:

- General Reserve, and
- Operational Risk Reserve.

HOW WE MANAGE RESERVES

CareSuper maintains a General Reserve that reflects the size of funds under management, the demographics of our member base and the perceived financial market conditions and liquidity risks. The Operational Risk Reserve is maintained to provide for the risks of operating a superannuation fund. The level of Operational Risk Reserve (ORR) maintained reflects the size, complexity and business of CareSuper. Reserves are formally reviewed on a quarterly basis. During the year the CareSuper Board determined to reduce the ORR target from 0.30% to 0.25%, which is a more accurate quantification of the fund's operational risks given its relatively stable risk profile. As a result, the excess reserves were distributed to members.

These reserves are invested in a strategy appropriate to their time frame and risk profile which the CareSuper Board reviews annually. The General Reserve is invested as a combination of asset class exposures in line with the superannuation Balanced option as well as interest bearing cash balances to maintain liquidity. The Operational Risk Reserve is invested in an investment exposure consistent with the aggregate asset allocation of CareSuper's investments.

	2017/2018 \$'000	2016/2017 \$'000	2015/2016* \$'000
General reserve	133,187	113,625	89,315
ORR	36,041	37,567	32,948
Total Reserves	169,228	151,192	122,263

*The 2015/16 reserves balance has been re-stated as required to comply with the application of the new Accounting Standard AASB1056 from 1 July 2016. Further information is provided in the 30 June 2017 financial statements available on CareSuper's website.

UNIT PRICING

CareSuper uses unit prices to calculate and report members' super balances and apply investment returns in relation to investments in a Managed or Asset Class option. Every member's account balance information includes the number of units they own, as well as the latest sell price. A buy price is usually the price applied when contributions are made into an investment option, at which time a member's account will be allocated units at the buy price. A sell price is usually applied when money is withdrawn from an investment option, including withdrawals from accounts for investment switches and payments, insurance premiums and tax deducted directly from an account. The sell price is used to calculate account balances.

To find out more about buy-sell spreads and how unit prices are calculated, read our **Investment Guide**, or **Pension Guide**.

Our investment performance



INVESTMENT UPDATE WITH SUZANNE BRANTON, CHIEF INVESTMENT OFFICER

2017/18 was a good year for CareSuper members, with the Balanced options delivering strong returns. It was the fifth year out of the last six that returns have been in double-digits.

The Balanced option for super and transition to retirement members returned 10.10% over the 2017/18 financial year, above the median return of 9.22% for other similar funds over the same period.*

The pension Balanced option also performed well, returning 11.09% for the 2017/18 financial year, compared to the median return of 9.92% for other similar funds over that period.†

All our other investment options delivered positive returns too. Options with more investments in shares and unlisted assets (like infrastructure and direct property) were the best performers.

Our Australian Shares, Direct Property and Overseas Shares options delivered the strongest returns, while Growth, Balanced and Alternative Growth also performed strongly.

* SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2018.

† SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60-76) Index, June 2018.



RETURNS AT A GLANCE

Here are our compound average returns (after investment fees, indirect costs and tax) as at 30 June 2018.

Super

Investment choice	2018	2017	2016	2015	2014	10 yr	7 yr	5 yr	3 yr
Managed options									
Balanced	10.10%	11.70%	4.45%	10.76%	12.84%	7.53%	9.63%	9.93%	8.70%
Growth	11.53%	13.69%	3.04%	11.78%	15.30%	8.20%	10.55%	10.98%	9.32%
Alternative Growth	9.59%	11.54%	5.47%	9.68%	12.69%	7.82%	9.58%	9.77%	8.83%
Sustainable Balanced	8.53%	9.36%	4.35%	9.79%	12.29%	6.87%	8.87%	8.83%	7.39%
Conservative Balanced	7.21%	8.83%	3.08%	8.26%	9.80%	6.67%	7.69%	7.41%	6.35%
Capital Stable	5.73%	6.86%	3.56%	6.67%	8.02%	6.05%	6.62%	6.16%	5.37%
Capital Guaranteed	1.64%	1.65%	2.27%	2.91%	1.67%	2.33%	1.91%	2.03%	1.85%
Asset class options									
Overseas shares	12.04%	18.56%	-0.39%	20.47%	18.26%	10.02%	13.37%	13.52%	9.78%
Australian shares	15.93%	14.72%	0.19%	7.60%	16.87%	7.52%	9.84%	10.88%	10.04%
Direct Property	12.74%	12.94%	13.34%	9.61%	8.60%	6.91%	10.03%	11.43%	13.00%
Fixed Interest	2.14%	1.77%	4.05%	4.87%	4.93%	5.71%	4.98%	3.54%	2.65%
Capital Secure	1.92%	2.08%	2.44%	2.78%	2.83%	3.16%	2.80%	2.41%	2.14%

The returns shown above are net of investment fees, indirect costs and tax. They may differ from your actual returns. Your actual net returns will appear in your annual statement. Past performance is not a reliable indicator of future performance.

Our performance (continued)

Transition to Retirement

Investment choice	2018	2017	2016	2015	2014	10 yr	7 yr	5 yr	3 yr
Managed options									
Balanced	10.10%	12.67%	4.89%	11.64%	14.03%	8.67%	10.50%	10.62%	9.17%
Growth	11.53%	14.68%	3.89%	12.84%	16.77%	9.04%	11.51%	11.85%	9.94%
Alternative Growth	9.59%	12.81%	5.88%	10.72%	12.72%	8.57%	10.31%	10.31%	9.39%
Sustainable Balanced	8.53%	10.22%	4.58%	10.83%	13.62%	7.69%	9.82%	9.52%	7.75%
Conservative Balanced	7.21%	9.53%	3.77%	8.85%	10.92%	7.46%	8.47%	8.03%	6.81%
Capital Stable	5.73%	7.47%	4.08%	7.55%	8.95%	6.78%	7.30%	6.75%	5.75%
Capital Guaranteed	1.64%	2.03%	2.61%	3.41%	1.84%	2.49%	2.12%	2.30%	2.09%
Asset class options									
Overseas shares	12.04%	20.94%	-0.45%	21.85%	19.88%	11.09%	14.73%	14.53%	10.49%
Australian shares	15.93%	16.35%	1.27%	8.18%	19.39%	8.35%	10.95%	12.02%	10.95%
Direct Property	12.74%	14.95%	14.86%	10.92%	9.62%	7.68%	11.17%	12.60%	14.17%
Fixed Interest	2.14%	2.23%	4.68%	5.44%	5.84%	6.52%	5.66%	4.06%	3.01%
Capital Secure	1.92%	2.43%	2.66%	3.22%	3.24%	3.67%	3.24%	2.69%	2.34%

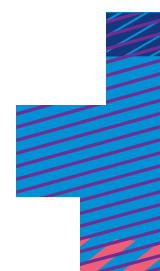
The returns shown above are net of investment fees, indirect costs and tax. They may differ from your actual returns. Your actual net returns will appear in your annual statement. Past performance is not a reliable indicator of future performance.

Pension

Investment choice	2018	2017	2016	2015	2014	10 yr	7 yr	5 yr	3 yr
Managed options									
Balanced	11.09%	12.67%	4.89%	11.64%	14.03%	8.77%	10.65%	10.82%	9.50%
Growth	12.58%	14.68%	3.89%	12.84%	16.77%	9.14%	11.66%	12.06%	10.28%
Alternative Growth	10.90%	12.81%	5.88%	10.72%	12.72%	8.70%	10.50%	10.58%	9.82%
Sustainable Balanced	9.60%	10.22%	4.58%	10.83%	13.62%	7.79%	9.97%	9.73%	8.10%
Conservative Balanced	8.31%	9.53%	3.77%	8.85%	10.92%	7.56%	8.63%	8.25%	7.17%
Capital Stable	6.42%	7.47%	4.08%	7.55%	8.95%	6.85%	7.40%	6.89%	5.98%
Capital Guaranteed	1.97%	2.03%	2.61%	3.41%	1.84%	2.53%	2.17%	2.37%	2.20%
Asset class options									
Overseas shares	13.96%	20.94%	-0.45%	21.85%	19.88%	11.28%	15.01%	14.92%	11.11%
Australian shares	17.86%	16.35%	1.27%	8.18%	19.39%	8.53%	11.21%	12.40%	11.56%
Direct Property	13.84%	14.95%	14.86%	10.92%	9.62%	7.79%	11.33%	12.82%	14.54%
Fixed Interest	2.50%	2.23%	4.68%	5.44%	5.84%	6.56%	5.72%	4.13%	3.13%
Capital Secure	2.26%	2.43%	2.66%	3.22%	3.24%	3.71%	3.29%	2.76%	2.45%

The returns shown above are net of investment fees, indirect costs and tax. They may differ from your actual returns. Your actual net returns will appear in your annual statement. Past performance is not a reliable indicator of future performance.

Our investment choices



CareSuper offers 12 different investment choices, each with different levels of investment risk and targets for return, plus a Direct Investment Option.

Members can invest in a pre-mixed combination of assets (Managed options) or make up their own mix using our five Asset Class options.

Here's a summary of each of our Managed and Asset Class options as at 30 June 2018.

OUR MANAGED OPTIONS

BALANCED					
Overview	This option invests in a diversified mix of assets with an emphasis on Australian and overseas shares, property and alternatives. It's designed to achieve relatively high returns in the medium to long term but is subject to short-term fluctuations in returns.				
Return objective	To achieve returns after tax and fees that exceed the inflation rate by at least 3% per year (over rolling 10-year periods).				
Risk level	Medium to high. The chance of a negative annual return is 3.1 in every 20 years for super and transition to retirement accounts and 3.0 in every 20 years for full pension accounts.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Australian Shares	22	25	21	25	10-40
Overseas Shares	26	18	26	18	10-40
Property	13	13	12	13	0-25
Alternatives	25	29	26	29	0-55
Fixed Interest	5	6	6	6	5-35
Cash	9	9	9	9	0-30

SUSTAINABLE BALANCED					
Overview	This option invests in a diversified mix of assets with a higher degree of focus on investing in industries and companies that are considered to have a sustainable future on environmental and/or social grounds. It's designed to achieve relatively high returns in the medium to long term.				
Return objective	To achieve returns after tax and fees that exceed the inflation rate by at least 3% per year (over rolling 10-year periods).				
Risk level	Medium to high. The chance of a negative annual return is 3.1 in every 20 years for super and transition to retirement accounts and 3.0 in every 20 years for full pension accounts.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Australian Shares	21	25	21	26	10-40
Overseas Shares	26	18	26	18	10-40
Property	12	13	12	13	0-25
Alternatives	27	29	26	28	0-55
Fixed Interest	6	6	6	6	5-35
Cash	8	9	9	9	0-30

Our investment choices (continued)

GROWTH					
Overview	This option mainly invests in growth assets with an emphasis on Australian and overseas shares. It's designed to achieve long-term capital growth. Returns for this option may display a significant level of volatility with a relatively high risk of capital loss over the short or medium term.				
Return objective	To achieve returns after tax and fees that exceed the inflation rate by at least 4% per year (over rolling 10-year periods).				
Risk level	Medium to high. The chance of a negative annual return is 3.8 in every 20 years for super and transition to retirement accounts and 3.7 in every 20 years for full pension accounts.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Australian Shares	28	33	27	33	15-50
Overseas Shares	35	25	35	24	15-50
Property	12	14	12	13	0-25
Alternatives	22	24	23	26	0-70
Fixed Interest	0	0	0	0	0
Cash	3	4	3	4	0-20

ALTERNATIVE GROWTH					
Overview	This option invests in a diversified mix of assets with an emphasis on alternatives as well as Australian and overseas shares. It's designed to achieve long-term capital growth.				
Return objective	To achieve returns after tax and fees that exceed the inflation rate by at least 3.5% per year (over rolling 10-year periods). This option aims to produce less volatile returns than the Growth option by investing more in alternatives investments.				
Risk level	Medium. The chance of a negative annual return is 2.8 in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Australian Shares	20	24	19	23	10-40
Overseas Shares	24	17	24	17	10-40
Property	12	13	12	13	0-25
Alternatives	41	43	41	43	10-85
Fixed Interest	0	0	0	0	0
Cash	3	3	4	4	0-20



CONSERVATIVE BALANCED

Overview	This option is designed to achieve a balance of risk and return by investing in a blend of assets, with an emphasis on fixed interest, cash and shares (Australian and overseas).				
Return objective	To achieve returns after tax and fees that exceed the inflation rate by at least 2.5% per year (over rolling 10-year periods).				
Risk level	Medium. The chance of a negative annual return is 2.2 in every 20 years for super and transition to retirement accounts and 2.1 in every 20 years for full pension accounts.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Australian Shares	17	20	16	19	5-30
Overseas Shares	20	14	20	14	5-30
Property	7	8	7	8	0-15
Alternatives	24	26	24	26	0-45
Fixed Interest	9	9	10	10	0-50
Cash	23	23	23	23	10-60

CAPITAL STABLE

Overview	This option invests in a diversified mix of assets, with an emphasis on fixed interest and cash. It's designed to provide stability of capital over the medium term combined with the prospect for limited capital growth.				
Return objective	To achieve returns after tax and fees that exceed the inflation rate by at least 2% per year (over rolling 10-year periods).				
Risk level	Low to medium. The chance of a negative annual return is 1.1 in every 20 years for super and transition to retirement accounts and 1.0 in every 20 years for full pension accounts.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Australian Shares	11	13	10	12	0-25
Overseas Shares	13	9	13	9	0-25
Property	6	7	6	7	0-15
Alternatives	22	23	22	23	0-35
Fixed Interest	15	15	16	16	0-50
Cash	33	33	33	33	10-70

CAPITAL GUARANTEED

Overview	This option invests mainly in cash with some fixed interest investments such as bonds. It's designed to guarantee the security of your capital by investing in defensive assets that generate cash-like returns.				
Return objective	To achieve returns after tax and fees that exceed the inflation rate (as measured by the Consumer Price Index [CPI]) by at least 0.5% per year (over rolling 10-year periods).				
Risk level	Very low. The chance of a negative annual return is zero in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Australian Shares	0	0	0	0	0
Overseas Shares	0	0	0	0	0
Property	0	0	0	0	0
Alternatives	0	0	0	0	0
Fixed Interest	22	22	22	22	0-50
Cash	78	78	78	78	50-100

Our investment choices (continued)

OUR ASSET CLASS OPTIONS

OVERSEAS SHARES					
Overview	This option invests in shares listed on the stock exchanges around the world, including both developed and emerging markets.				
Return objective	To outperform the return of the overseas share market (as measured by the MSCI World ex-Australia Index in \$AUD). To achieve returns after tax and fees that exceed the inflation rate by at least 4% per year (over rolling 10-year periods).				
Risk level	High. The chance of a negative annual return is 4.9 in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Overseas Shares	100	100	100	100	n/a

AUSTRALIAN SHARES					
Overview	This option invests mainly in shares of Australian companies listed on the stock exchange.				
Return objective	To outperform the return of the Australian share market (as measured by the S&P/ASX 300 Accumulation Index). To achieve returns after tax and fees that exceed the inflation rate by at least 4% per year (over rolling 10-year periods).				
Risk level	High. The chance of a negative annual return is 5.7 in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Australian Shares	100	100	100	100	n/a

DIRECT PROPERTY					
Overview	This option holds units in portfolios focused on core, high-quality properties – mainly CBD office buildings and large shopping centres. Returns may come from both rental income and capital growth.				
Return objective	To outperform the return of the Australian direct property market (as measured by the Mercer Australian Unlisted Property Index [pre-tax]). To achieve returns after tax and fees that exceed the inflation rate by at least 3% per year (over rolling 10-year periods).				
Risk level	Medium to high. The chance of a negative annual return is 3.7 in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Property	100	100	100	100	n/a

FIXED INTEREST

Overview	This option invests in a diversified portfolio of debt securities, mainly fixed-rate bonds issued by Australian and overseas governments and companies, mortgage-backed securities and cash. The investment managers include specialist credit managers and other managers focused on managing sector and interest rate exposures.				
Return objective	To outperform returns from a mix of the Australian and overseas bond markets (as measured by a benchmark consisting of the Bloomberg AusBond Composite Bond Index and the Barclays Capital Global Aggregate Index [hedged]). To achieve returns after tax and fees that exceed the inflation rate by at least 0.5% per year (over rolling 10-year periods).				
Risk level	Very low. The chance of a negative annual return is 0.2 in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Fixed Interest	65	65	65	65	50–100
Cash	35	35	35	35	0–50

CAPITAL SECURE

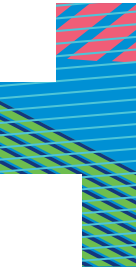
Overview	This option invests in a mix of cash-like investments such as short-dated and floating rate securities issued by Australian and overseas governments, banks and companies. The portfolios include bank bills, commercial paper and other discount securities, asset-backed securities and bank-term deposits.				
Return objective	To outperform the return of the Australian cash market (as measured by the UBS Bank Bill Index). To achieve returns after tax and fees that is at least in line with the inflation rate each year (over rolling 10-year periods).				
Risk level	Very low. The chance of a negative annual return is zero in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2018		30 June 2017		
	Super & TTR	Pension	Super	Pension & TTR	Super, TTR & Pension
Cash	100	100	100	100	n/a

Our investment managers

We use a combination of in-house experts and external fund managers to manage our members' super.

Here's a list of our managers, arranged by asset class, as well as the value of funds held by each and the percentage of CareSuper's total assets each holding represented at 30 June 2018 and 30 June 2017.

CareSuper's investment managers during 2017/18	Investments held by managers			
	2018		2017	
	\$m	% of Fund	\$m	% of Fund
Absolute Return				
BNP Absolute Return Fixed Interest Trust	272.81	1.83%	260.44	1.99%
GAM Absolute Return Bond Fund	263.34	1.76%	259.64	1.99%
Insight Absolute Return Bond Fund	264.03	1.77%	258.44	1.98%
Wellington Global Total Return	234.70	1.57%	226.02	1.73%
Total	1,034.88	6.93%	1,004.54	7.69%
Australian Shares				
Airlie Australian Equities ¹	232.01	1.55%	0.00	0.00%
IFM Enhanced Index Equities	726.99	4.87%	742.55	5.69%
Ophir High Conviction Australian Equities	105.62	0.71%	64.38	0.49%
Ophir Opportunities Fund	75.31	0.50%	54.96	0.42%
Optar Australian Equities ¹	42.50	0.28%	0.00	0.00%
Paradise Investment Management Large Caps	725.71	4.86%	581.04	4.45%
Perennial Value Management ²	0.00	0.00%	528.20	4.04%
Renaissance Smaller Companies	149.40	1.00%	120.93	0.93%
Schroder Australian Equities	696.76	4.67%	612.80	4.69%
Ubique Australian Equities ¹	547.86	3.67%	0.00	0.00%
Total	3,302.16	22.11%	2,704.86	20.71%
Capital Guaranteed				
AMP Guaranteed Savings Account ³	79.53	0.53%	76.94	0.59%
Total	79.53	0.53%	76.94	0.59%
Cash				
Colonial First State Australian Cash	899.15	6.02%	1,001.17	7.67%
Term Deposits	699.56	4.68%	398.97	3.06%
Total	1,598.71	10.71%	1,400.14	10.72%
Credit				
Apollo Credit Fund	164.87	1.10%	152.36	1.17%
Barings Multi Strategy Credit	303.60	2.03%	199.84	1.53%
HayFin Direct Lending Fund	16.92	0.11%	52.49	0.40%
HayFin Direct Lending Fund II	73.38	0.49%	34.88	0.27%
IFM Infrastructure Debt	38.71	0.26%	63.01	0.48%
Shenkman Capital Bank Loans	280.75	1.88%	243.89	1.87%
Total	878.22	5.88%	746.47	5.72%



CareSuper's investment managers during 2017/18

Investments held by managers

	2018		2017	
	\$m	% of Fund	\$m	% of Fund
Direct Property				
Charter Hall Prime Office Fund	365.80	2.45%	287.55	2.20%
DEXUS Wholesale Property Fund	688.83	4.61%	634.42	4.86%
Eureka Development Fund No. 24	0.01	0.00%	0.01	0.00%
ISPT Core Fund	587.81	3.94%	522.12	4.00%
ISPT Development & Opportunities Fund No. 2	4.80	0.03%	5.20	0.04%
ISPT International Property Trust ⁴	0.02	0.00%	0.06	0.00%
ISPT Retail Australia Property Trust	147.43	0.99%	123.02	0.94%
Lend Lease Australian Prime Property Fund Retail	38.86	0.26%	36.96	0.28%
Total	1,833.56	12.28%	1,609.35	12.32%
Fixed Interest				
Franklin Templeton Global Aggregate Bond Fund	109.40	0.73%	109.84	0.84%
IFM Specialised Credit Fund	144.62	0.97%	137.86	1.06%
Janus Henderson Australian Fixed Interest	209.67	1.40%	202.59	1.55%
Brandywine Global Fixed Income Fund	207.12	1.39%	205.44	1.57%
ME Bank Super Loans Trust	1.50	0.01%	2.61	0.02%
UBS Australian Fixed Interest	173.87	1.16%	167.81	1.29%
Total	846.18	5.67%	826.16	6.33%
Infrastructure				
AMP Capital Infrastructure Equity Fund	249.23	1.67%	195.88	1.50%
Antin Infrastructure Fund	6.08	0.04%	6.68	0.05%
Antin Infrastructure Fund III	26.55	0.18%	0.47	0.00%
Hastings Utilities Trust Of Australia	290.58	1.95%	285.21	2.18%
IFM Australian Infrastructure Fund	271.54	1.82%	243.81	1.87%
Macquarie Global Infrastructure Fund II	39.74	0.27%	28.39	0.22%
Total	883.72	5.92%	760.44	5.82%
Overseas Shares				
Antipodes Partners Global Equity	562.61	3.77%	302.32	2.32%
Baillie Gifford Long Term Global Growth	351.42	2.35%	313.69	2.40%
MFS Global Equity Trust	902.14	6.04%	925.34	7.09%
Neuberger Berman Emerging Markets	245.28	1.64%	214.63	1.64%
Orbis Global Equity Fund	471.94	3.16%	411.15	3.15%
Schroder Global Dynamic Blend	510.72	3.42%	467.79	3.58%
Stewart Investors Global Emerging Markets	226.40	1.52%	204.87	1.57%
Wellington Global Contrarian Equity	416.06	2.79%	372.42	2.85%
Total	3,686.56	24.69%	3,212.20	24.60%

Investment managers (continued)

CareSuper's investment managers during 2017/18

Investments held by managers

	2018		2017	
	\$m	% of Fund	\$m	% of Fund
Private Equity				
Advent Private Capital V	1.56	0.01%	3.45	0.03%
Bain Capital Fund IX	2.31	0.02%	2.82	0.02%
Coller International Partners V	1.23	0.01%	1.65	0.01%
HarbourVest Co-Investment Opportunities Fund ¹	10.15	0.07%	0.00	0.00%
HarbourVest Partners IV	77.23	0.52%	39.72	0.30%
Highland Credit Opportunities Fund	4.70	0.03%	5.57	0.04%
IFM Australian Private Equity Fund III	0.71	0.00%	1.27	0.01%
IFM Australian Private Equity Fund IV	3.96	0.03%	5.20	0.04%
IFM International Private Equity Fund I	0.19	0.00%	0.67	0.01%
IFM International Private Equity Fund II	3.94	0.03%	5.74	0.04%
IFM International Private Equity Fund III	40.26	0.27%	42.86	0.33%
Industry Super Holdings Pty Ltd	29.75	0.20%	16.53	0.13%
LGT Crown Europe Middle Market II	26.43	0.18%	28.97	0.22%
LGT Crown Global Secondaries II	9.50	0.06%	13.27	0.10%
Members Equity Bank Pty Ltd	42.74	0.29%	28.41	0.22%
Partners Group Direct Investments 2012	100.37	0.67%	98.68	0.76%
Partners Group Direct Investments 2016	51.62	0.35%	26.99	0.21%
Partners Group Secondary 2008	6.80	0.05%	9.89	0.08%
Partners Group Secondary 2011	79.52	0.53%	86.75	0.66%
Siguler Guff Collins Fund1	19.05	0.13%	0.00	0.00%
Siguler Guff Distressed Opportunities IV	52.39	0.35%	62.79	0.48%
Siguler Guff Small Buyout Opportunities Fund II	94.03	0.63%	86.32	0.66%
Siguler Guff Small Buyout Opportunities Fund III ¹	22.51	0.15%	0.00	0.00%
Stafford International Timberland VI	20.01	0.13%	20.74	0.16%
Warakirri International Hedge Equity Fund ⁵	0.00	0.00%	0.03	0.00%
Wilshire Private Markets	18.81	0.13%	19.86	0.15%
Wilshire Private Markets Asia No. 2	1.96	0.01%	1.94	0.01%
Total	721.74	4.83%	610.08	4.67%
Sustainable Australian Shares				
AMP Capital Sustainable Share Fund	31.49	0.21%	28.06	0.21%
Total	31.49	0.21%	28.06	0.21%
Sustainable Overseas Shares				
Candriam Sustainable Global Equity Fund	36.81	0.25%	33.24	0.25%
Total	36.81	0.25%	33.24	0.25%
	14,933.57		13,012.49	

¹ Appointed/added during 2017/18.

² Terminated during 2017/18.

³ Accumulation assets are invested in the AMP Guaranteed Savings Account (Superannuation) and Pension assets are invested in the AMP Guaranteed Savings Account (Pension).

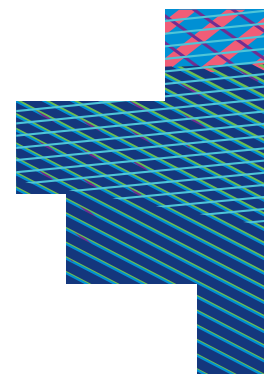
⁴ Investment being wound down. Small residual balance remaining.

⁵ Investment wind down complete. All distributions received.

TGM is CareSuper's currency hedging and asset allocation (rebalancing) manager.

Percentages may not sum to totals shown due to rounding.

Our major holdings



CareSuper invests around \$15 billion worth of super in assets such as shares, airports, office blocks, shopping centres and corporate bonds.

Our top investment holdings as at 30 June 2018 are set out in the tables below.

Australian shares

Security	% of Asset Class	% of Balanced (MySuper) Option
Commonwealth Bank of Australia	6.73%	1.48%
BHP Billiton Ltd	6.31%	1.38%
Westpac Banking Corporation	6.16%	1.35%
Australia and New Zealand Banking Group	3.87%	0.85%
CSL Ltd	3.35%	0.73%
National Australia Bank Ltd	3.14%	0.69%
Macquarie Group Ltd	2.42%	0.53%
Origin Energy Ltd	2.26%	0.50%
Rio Tinto Ltd	2.23%	0.49%
Woodside Petroleum Ltd	2.06%	0.45%
Santos Ltd	1.87%	0.41%
Wesfarmers Ltd	1.74%	0.38%
AGL Energy Ltd	1.65%	0.36%
Brambles Ltd	1.57%	0.34%
Aristocrat Leisure Ltd	1.48%	0.33%
Computershare Ltd	1.48%	0.32%
Woolworths Ltd	1.47%	0.32%
James Hardie Industries Plc	1.41%	0.31%
Aurizon Holdings Ltd	1.38%	0.30%
Lendlease Group	1.35%	0.30%
Total of asset class	53.94%	11.82%

Overseas shares

Security	% of Asset Class	% of Balanced (MySuper) Option
Facebook Inc	1.58%	0.41%
Samsung Electronics Company Ltd	1.22%	0.32%
Tencent Holdings Ltd	1.12%	0.29%
Alphabet Inc	1.11%	0.29%
Baidu Inc	0.96%	0.25%
XPO Logistics Inc	0.93%	0.24%
Amazon Dotcom Inc	0.92%	0.24%
Netease Inc	0.89%	0.23%
Medtronic Plc	0.82%	0.21%
Visa Inc	0.75%	0.20%
Abbvie Inc	0.74%	0.19%
Thermo Fisher Scientific Inc	0.73%	0.19%
Alibaba Group Holding Ltd	0.71%	0.18%
Under Armour Inc	0.70%	0.18%
Cisco Systems Inc	0.68%	0.18%
Nestle SA	0.68%	0.18%
Bayer AG	0.67%	0.18%
Illumina Inc	0.65%	0.17%
Oracle Corporation	0.65%	0.17%
Accenture Plc	0.65%	0.17%
Total of asset class	17.17%	4.46%

Our major holdings (continued)

Property

Location	% of asset class
NSW	43.5%
VIC	21.2%
WA	8.0%
QLD	22.3%
SA	2.1%
ACT	2.9%
International	0.0%
Total	100.0%
Sector	% of asset class
Retail	39.8%
Office	54.2%
Industrial	5.5%
Other	0.5%
Total	100.0%

Infrastructure

Location	% of assets
International	17.9%
NSW	29.1%
VIC	26.3%
QLD	7.6%
WA	10.5%
TAS	0.0%
NT	1.5%
SA	1.6%
Cash	5.4%
Total	100.0%
Sector	% of assets
Airport	41.2%
Seaport	13.4%
Tollroads	2.5%
Rail	7.1%
Regulated Utilities	22.5%
Social Infrastructure	6.1%
Other	7.2%
Total	100.0%

Fixed Interest

Government Bonds / Cash			Non-Government		
Australia	Overseas	Total	Australia	Overseas	Total
21.5%	24.0%	45.5%	44.2%	10.1%	54.3%
Credit rating					
AAA	AA	A	BBB	Below BBB	
37.6%	18.8%	22.2%	15.2%	6.1%	

International fixed interest investments are fully hedged. Percentages may not sum to totals shown due to rounding. The figures are subject to change or revision at any time and CareSuper accepts no responsibility for omissions or errors.

Financial statements

We keep a close eye on investment performance and spending and we're transparent about what it costs to run CareSuper successfully for members.

Area	Spend
Trustee, staff and related costs	\$12,322,036
Office expenses	\$1,650,714
Professional services	\$1,114,502
Member and employer services	\$3,566,608
Fund promotion	\$6,259,348
Government changes	\$915,816
Member and employer costs	\$13,197,940

AUDITED FINANCIAL STATEMENTS

The information below is a summary of CareSuper's financial statements for the last two years as taken from the audited accounts. Full Financial statements and the auditor's report are available on our website.

Statement of financial position as at 30 June 2018

	2018 \$'000	2017 \$'000
Assets		
Investments	17,542,050	15,908,410
Cash at bank	62,731	111,720
Other assets	584	264
Total Assets	17,605,365	16,020,394
Liabilities		
Tax payable	7,124	28,672
Other payables	2,777,952	2,943,675
Total liabilities	2,785,076	2,972,347
Net assets available for members benefits	14,820,289	13,048,047
Members benefits	14,651,061	12,896,855
Net assets	169,228	151,192

Income statement for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
Revenue		
Investment income	1,460,146	1,434,629
Other income	4,547	1,806
Total revenue	1,464,693	1,436,435
Expenses		
Investments	36,802	28,087
Administration and operating	47,623	42,266
Total expenses	84,425	70,353
Income tax (expense)/benefit	108,710	102,024
Results after income tax	1,271,558	1,264,058
Less net benefits allocated to members accounts	(1,253,522)	(1,235,130)
Operating result after income tax	18,036	28,928

Information for members

WE CAN HELP WITH ENQUIRIES AND COMPLAINTS

We'll listen to your concerns and investigate all enquiries and complaints to try and resolve the matter as quickly as possible.

We'll do our best to answer your complaint with a written response of the outcome within 90 days from receiving it or explain why we have been unable to complete the investigation within this timeframe. Where we have been able to resolve it over the phone within 5 days, we generally won't write to you unless you ask us to. Complaints can be made in writing, over the phone or by email using the contact information in the 'getting in touch' section below or you can also use the 'Contact us' section of our website.

If you're not satisfied with the response you receive from us, or you don't receive a response from us at all you can take the matter to the Australian Financial Complaints

Authority (AFCA), which replaced the Superannuation Complaints Tribunal and the Financial Ombudsman Service. AFCA is an independent and impartial ombudsman and is a free service.

OUR LOW ACCOUNT BALANCE POLICY

If you're uncontactable or inactive, and you have a balance of less than \$6000, your account may be transferred to the ATO. This happens in April and October each year.

If you're uncontactable or inactive and have an account balance of between \$200 and \$2000, your account will be transferred to our eligible rollover fund in June and December each year and any insurance cover you have with CareSuper will end. If you're transferred to our eligible rollover fund, you'll no longer be a member of CareSuper or have insurance cover with us. Different fees and costs apply

to the eligible rollover fund, so please contact AUSfund for details.

AUSfund

PO Box 543
Carlton South VIC 3053

Phone: 1300 361 798

Fax: 1300 366 233

International Tel: +61 3 9814 6400

Email: admin@ausfund.net.au

Website: unclaimedsuper.com.au

TEMPORARY RESIDENTS

CareSuper is required to pay the super of former temporary residents to the ATO if it's been more than 6 months since they departed Australia and their visa has expired or been cancelled.

We rely on relief from ASIC to the effect that we are not obliged to notify or give an exit statement to a non-resident in these circumstances. Non-residents can apply to the Commissioner of Taxation to claim the unclaimed super. Visit ato.gov.au for more information.



Contact us

HERE'S HOW TO GET IN TOUCH



SUPERANNUATION

1300 360 149 (Australia)
8am–8pm weekdays AEST
admin@caresuper.com.au
Locked Bag 5087 Parramatta
NSW 2124

PENSION

1300 360 149 Monday to Friday
8am to 6pm AEST
pension@caresuper.com.au
Locked Bag 5087 Parramatta
NSW 2124

OVERSEAS

+613 9067 2619 8am–8pm
weekdays AEST

OUR REGISTERED ADDRESS

Level 18, 31 Queen Street
Melbourne VIC 3000

 1300 360 149

 admin@caresuper.com.au

 caresuper.com.au

 CareSuper Locked Bag 5087 Parramatta NSW 2124



Sovereign Offset is FSC® certified and considered to be one of the most environmentally adapted products on the market with carbon neutral certification to Ball & Doggett warehouses nationally. Containing fibre sourced only from responsible forestry practices, this sheet is ISO 14001 EMS accredited and made with elemental chlorine free pulps.

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