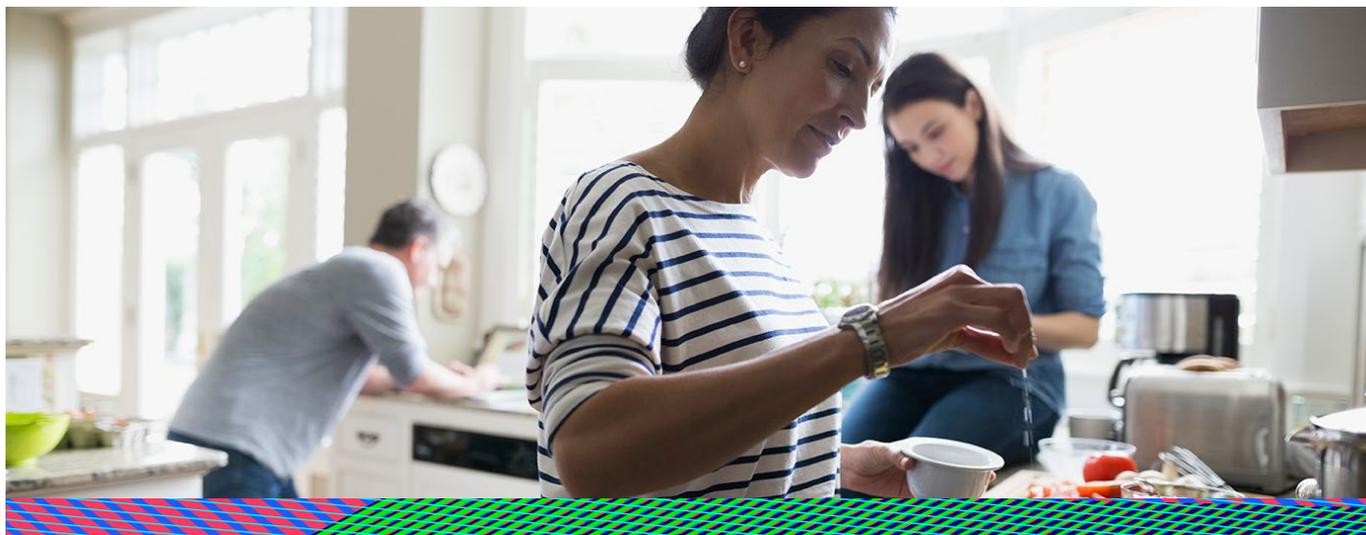


Our year in review

# Annual Report 2019



**Lauren**  
Member since 2008



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Issued by: CARE Super Pty Ltd (Trustee)  
 ABN 91 006 670 060 AFSL 235226 RSE L0000956  
 CARE Super (Fund) ABN 98 172 275 725

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](http://caresuper.com.au) or call 1300 360 149.

# Our year at a glance

Retirement savings we manage

**\$16+ billion**



Total members

**245k**

Insurance claims paid

**549**



Dollars of insurance benefits paid out

**\$87,527,540**

Visits to our calculators to crunch the numbers

**20,000+**



Employers paying super into CareSuper

**56k**

Workplace visits

**2.5k**

Number of members our financial planners have helped with advice services

**1,075**



Members who registered and logged into MemberOnline

**50,000+**

Visits to our website

**1.6m+**

Members our Outbound call team spoke to

**10k+**

Members who received their e-statements electronically

**141,718**





# From the CEO

It's certainly been a busy year at CareSuper – and for the superannuation industry generally. A special thank you to all staff and service providers who've worked so hard throughout the year.

## HOW WE PERFORMED

It's been another good year for both super and pension members with our Balanced options delivering their tenth consecutive year of positive returns. The Balanced option returned 6.88% for super members and 7.50% for pension members. Both comfortably outperformed their investment objectives, providing real growth above the inflation rate.

Our investment philosophy focuses on consistent, sustainable, long-term growth for members, so I'm pleased that when SuperRatings compared us to our peers at 30 June 2019, we were the number one performer over 20 years, with an average annual return of 8.13%^ over that period.

## EVOLVING TO BETTER SERVE OUR MEMBERS

Our members' needs are constantly evolving, and so should the products and services we offer them. While we had significant legislative change throughout the year, we also made many enhancements including; transitioning to a new administration services provider, we rebranded, launched our new website and a new member portal, and redesigned our insurance offering.

### Transitioned to a new administration services provider

On 30 March 2019, we transitioned our provider of administration services to Mercer. This was a complex task so a lot of work was carried out in the months leading up to the transition. And, of course, the work didn't stop in March – we have been and are continually working to ensure we're delivering high-quality service for members.

There are many benefits realised as part of this transition, including a new member portal (MemberOnline) and app, a great new retirement calculator, daily unit prices (allowing members more flexibility to switch investment options), and reduced administration fees for pension members, to name a few.

For more information on the role of Mercer as our administration services provider, see **page 12** of this report.

### Enhanced our insurance offering

Our latest review of our insurance offering was guided by the Insurance in Superannuation Code of Practice, to which we committed on 1 July 2018 and are progressively implementing according to our Transition Plan.

As part of our insurance redesign, our default offering was modified to reflect our typical members' circumstances. The overall aim is to give members an appropriate amount of cover for the different stages of their life. That is, more cover when they are more likely to need it and less when they are likely not to or have built a larger superannuation balance.

At the same time, we aligned our new offering with the government's recent Protecting Your Super package, which is designed to ensure insurance within super is appropriate and members are not paying for insurance they might not know about or fees that erode their retirement savings.

### Revamped Sustainable Balanced option

We understand the value of incorporating sustainability in all its forms into the way we manage our investments, which is why we integrate environmental, social and governance (ESG) factors into our decision-making across all options. During the financial year, we worked hard on making important enhancements to our Sustainable Balanced option, which were announced in August 2019. Find out more at [caresuper.com.au/sustainable-super](https://caresuper.com.au/sustainable-super).

## WE'RE NOT SITTING STILL

Looking ahead, we have some exciting developments to come including enhancements to our financial advice offering.

As an Industry SuperFund run only to benefit members, we're dedicated to helping our members achieve their financial goals by providing high quality superannuation products and services. We look forward to another year of doing just that.

**Julie Lander**  
CareSuper CEO

^ SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index, June 2019.



# From the Chair

My thanks go to the Board, CEO Julie Lander, executives, staff and our service providers for their incredible work in what has been a very demanding year.

## LEGISLATIVE CHANGE

Last year, I said that we were well positioned to respond to any legislative changes that may arise, and arise they did. The Protecting Your Super (PYS) legislative Package, which was first announced in the May 2018 Federal Budget, was passed in February 2019 for 1 July 2019 implementation with the aim of reducing duplicate accounts in the super system and protecting accounts from being eroded by fees and insurance premiums.

This year, following the Hayne Royal Commission and Productivity Commission report, there was also much attention on financial services in general. I remind members that while fulfilling legislative requirements and communicating changes, we remain focused on delivering the best outcomes and service for our members.

We're member-centric and welcome changes that improve the superannuation system for our members and all Australians.

## BOARD CHANGES

In January, we reduced the number of Directors on the Board from 12 to 10 while maintaining our board structure with equal numbers of member and employer-nominated directors.

Special thanks to Catherine (Cate) Wood, the former Chair, for her 18 years of dedicated work on the CareSuper Board. Cate was first appointed in 2000 and completed her final term on 31 December 2018. During her tenure she served on all Board committees and made a significant contribution to the Fund and to the profit-to-member superannuation sector generally.

I would also like to acknowledge the service of Chris Christodoulou, Andrea Waters and Gabriel Szondy, who also stepped down from the Board during the year. Gabriel has been involved with CareSuper since its inception and was the Fund's first secretary. He continues to make a contribution through the investment committee.

I welcome our newly appointed directors to the Board – Sasha Peldova-McClelland, Linda Scott and Robert Potter. The knowledge and skills they bring contribute diverse perspectives that are important for maintaining a robust, adaptable board.

## PROFIT-TO-MEMBER INDUSTRY SUPERFUND

As our operating environment and landscape continue to change, presenting both opportunities and challenges, we maintain our members-first approach.

As an Industry SuperFund, we're proudly working for members by responsibly managing their savings – without the conflict of having to deliver for shareholders – so our members can achieve their financial goals and enjoy their present and future lifestyles.

**Terry Wetherall**  
CareSuper Chair

# Who we are

## PROFIT FOR MEMBERS

We're an industry fund, so we're run only to benefit our members – no one else.

## A 30+ YEAR HISTORY

We've been helping our members achieve their financial goals for over 30 years. Established in 1986 to look after super for office-based employees, today people from all occupations and sectors can join CareSuper.

## SUPPORTING MEMBERS' CHOICES

We're driven by a clear and genuine purpose: to help our members achieve their financial goals and a

better lifestyle in retirement. Our members span generations, with different careers, life journeys and unique aspirations. We respect individuality and intend to make a positive difference to members' lives. How? By offering choices and giving members access to advice and education opportunities to help them make decisions that could make a difference to their future financial situation.

## FOR THE PROFESSIONALLY-MINDED

We're the largest industry fund for professionally-minded, aspirational people across all occupations and sectors, who want a high-

performing fund that fits their needs and aspirations. But we know the attributes of a professionally-minded fund appeal to people from all walks of life so we welcome anyone looking for a fund that embraces a 'profit-to-member' ethos and focuses on long-term investment performance, quality and simplicity.

## OUR SPIRIT

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.

## WE'RE AN INDUSTRY SUPERFUND

The trademarks of industry super

As an Industry SuperFund, these are three things we live and breathe:

- Industry funds are run to benefit members, no one else.
- They have a history of keeping costs low. But not at the expense of your returns.
- Financial planners working in your best interests, not for commissions.

We're part of a special group. Industry Super Australia represents the collective voice of 15 Industry SuperFunds, including us! Our shared goal is to give you the best possible retirement. Together, we work on research, policy, marketing and advocacy initiatives to improve the superannuation system for everyone.



# Our workplace

## OUR EXECUTIVE TEAM

Our executive team is united by a shared commitment to members. All executives have clear goals and their performance is formally reviewed at least once a year.



**JULIE LANDER**  
CEO

*'Around 250,000 Australians trust us with their super. That's a privilege and 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, Certificate in Organisational Leadership and is RG146 qualified. She is a Director of Australian Institute of Superannuation Trustees (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.'*

Suzanne is responsible for managing CareSuper's \$16 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.'*

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 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, and Company Secretary**

*‘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.’*

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 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 the tools to achieve it.’*

Peter oversees 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 their 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 aligned with our purpose. In 2018, we created a new cross-functional working group aimed at taking our workplace from good to great in a continually evolving landscape.

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 enhancement of our Health & Wellbeing program, a revamped Reward & Recognition Program and V2V Fridays, which encourages more voice-to-voice communication between team members (rather than always relying on email).

## 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. This is also represented in our 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. Similarly, 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 2019

Category	Women	Men
Board	6	4
Executive team	4	3
Middle managers	6	7
Other staff	56	43

### Gender by age split at 30 June 2019 (excluding Board members)

Gender	20-29	30-39	40-49	50+
Male	9	16	22	6
Female	7	35	19	5

## 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 2019

Salary range	Number of staff
\$50,000-100,000	37
\$100,000 - \$200,000	71
\$200,000 - \$300,000	6
\$300,000 - \$400,000	3
\$400,000 - \$600,000	2

# Our awards

While we were busy working hard for members, we won these awards.



## SUPERRATINGS PLATINUM RATING 2019

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



## SUPERRATINGS 15-YEAR PLATINUM RATING 2019

Our super product has received a SuperRatings Platinum rating every year from 2004 to 2019.



## INFINITY RECOGNISED 2019

This awards recognises super funds that lead the industry in sustainable behaviour and are committed to responsible investment principles.



## CHANT WEST 5 APPLES SUPER AND PENSION 2019

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



## HERON PARTNERSHIP 5-STAR RATING 2019

Awarded to our Pension, Personal Plan, Employee Plan and MySuper products, five stars is defined as 'outstanding' by Heron and is their highest rating. Our Pension product has also been classified as a 'top ten' product.



## SELECTINGSUPER BEST RETIREMENT PRODUCT 2018

This award recognises the 'best retirement product' for 2018 as part of SelectingSuper's annual Excellence Awards.



## SELECTINGSUPER AAA RATING

We earned the AAA Quality Assessment in 2019 in recognition of passing a comprehensive assessment on a range of best practice measures and benchmarks.



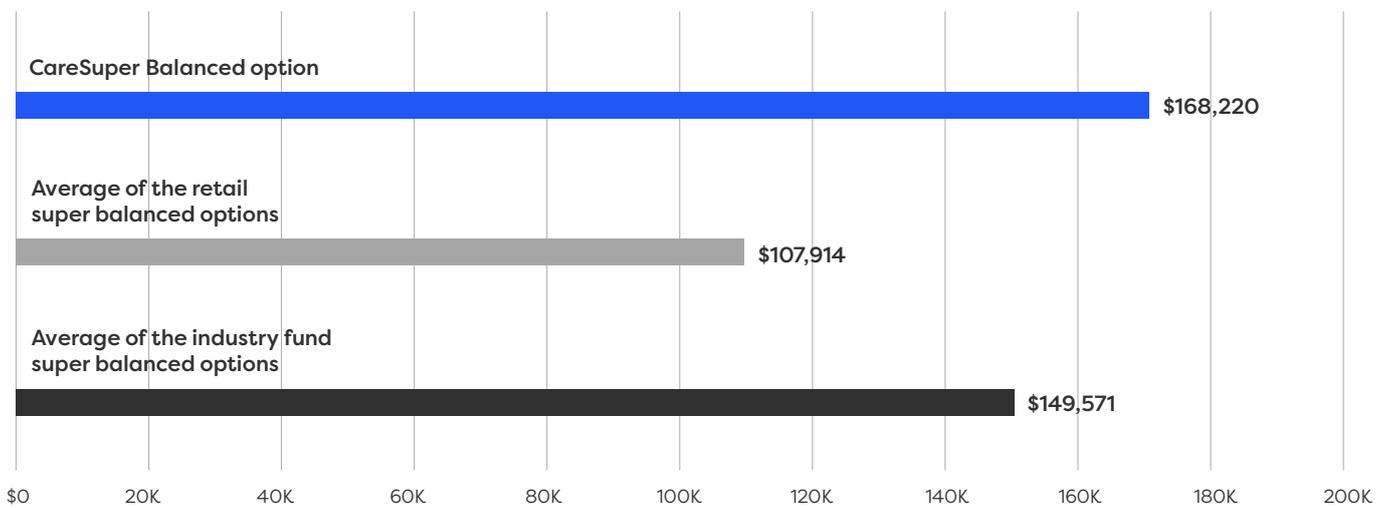
**FOR MORE INFORMATION ON ALL OUR AWARDS**  
Visit [caresuper.com.au/awards](https://caresuper.com.au/awards)

# Our net benefit

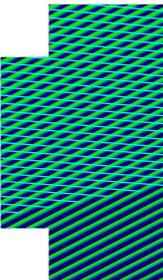
We're a profit-to-member fund so we only charge fees to cover costs, not to make a profit to pay shareholder dividends.

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 when it comes to our members' super, it's the overall benefit that counts.

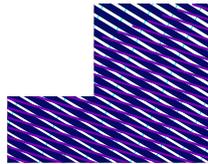
The result? Over 15 years to 30 June 2019, our Balanced option returned over \$60,000 more than the average of all surveyed retail funds and outperformed the average of all surveyed industry funds by over \$18,000.



Past performance is not a reliable indicator of future performance. Comparisons modelled by SuperRatings as at 30 June 2019, 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 funds tracked by SuperRatings, including 90 funds with a 15-year performance history. Outcomes vary between funds. See [caresuper.com.au/assumptions](https://caresuper.com.au/assumptions) for more details about modelling calculations and assumptions.



# Service providers



It's important to partner with the best possible providers to help us excel at what we do and fit with our members' needs.

On 29 March 2019, we transitioned to a new administration services provider, Mercer.

Before appointing (and when reviewing) service providers, we apply rigorous due diligence processes and ask them to attest to their relevant credentials and demonstrate that they meet their compliance requirements annually.

All material service providers, as well as our Insurer, Metlife, have been requested to provide annual attestations.

## SERVICE PROVIDERS

Here's a list of our significant service providers.

### Administration\*<sup>^</sup>

Australian Administration Services Pty Ltd (to 29 March 2019)

Mercer Outsourcing (Australia) Pty Ltd (from 30 March 2019)

### Asset consultant

JANA Investment Advisers Pty Ltd

### Auditor – external

PricewaterhouseCoopers (Fund)  
KPMG (Trustee)

### Auditor – internal\*

KPMG

### Credit control services

Industry Funds Credit Control

### Custodians\*

NAB Asset Servicing  
Citigroup Pty Limited  
Sargon CT Pty Ltd

### Insurer

MetLife Insurance Limited

### Insurance adviser

IFS Insurance Solutions Pty Ltd

### Investment managers

See full list on **page 36**.

### Legal advisers

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

### Tax adviser

Deloitte Tax Services Pty Ltd

\*Indicates a material outsourced provider

<sup>^</sup>On 29 March 2019, we transitioned our Administration from Australian Administration Services Pty Ltd to Mercer Outsourcing (Australia) Pty Ltd.

## ABOUT OUR ADMINISTRATION SERVICES PROVIDER



Like most large super funds, in order to realise benefits of scale, we outsource some of our services (like our inbound contact centre, online systems and fund administration and payment processing functions) to an external specialist service provider with a dedicated CareSuper team (think of this team as an extension of our fund).

To meet our members' changing needs and set ourselves up for the future, we transitioned our administration service provider to Mercer in March 2019.

This arrangement has already delivered benefits to our members including:

- A new online member portal and app
- Reduced fees for our pension members
- Reduced fees for members in our Direct Investment option
- Increased and more integrated financial advice services
- More transactions able to be made online and over the phone, and
- Daily unit pricing (previously weekly), which provides more flexibility for members to switch their investments.

Mercer is one of the world's leading service providers and has been providing superannuation and investment advice in Australia for over 40 years. It provides fully-outsourced administration for several of Australia's largest super funds. Mercer was selected for its state of the art technology, world-class customer service and experience managing super administration of more than 2.5 million super accounts in Australia.

# CareSuper Board

It's our board's responsibility to ensure CareSuper is managed in the best interests of members. Of course, good governance is essential to that.

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 by September each year. We have submitted our report relating to the year ended 30 June 2019.

The Code exceeds any other industry code or principles for superannuation funds.

In January, we reduced the number of directors from 12 to 10. Importantly, the board is still comprised of an equal number of member and employer directors and board decisions are made by at least a two-thirds majority.

Over the year, we welcomed three new 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 financial year ending June 2019 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 Chair**  
Appointed  
1 April 2018

**Employer Director**  
since  
1 August 2015

## TERENCE (TERRY) WETHERALL

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 also a Director of the Australian Chamber of Commerce and Industry (ACCI), Industry Super Australia and Campaign for Small Business.

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, Australian Institute of Company Directors (AICD)
- Associate Diploma in Valuation
- Graduate Diploma in Urban & Regional Planning
- Graduate, Australian Institute of Superannuation Trustees

## CareSuper board committee membership

- Governance and Remuneration Committee

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

# CareSuper Board (continued)



## JULIE BIGNELL

Julie Bignell is the Deputy Chair of CareSuper and a professional Non-Executive Director. She is also a Director of Austin Health, where she Chairs the Community Advisory Committee, and is a Director and Council Member of the Australian Council of Superannuation Investors (ACSI). Julie's board career includes Directorships at North Queensland Bulk Ports Corporation and Workplace Health and Safety Queensland.

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

Julie was nominated as a member director by the ASU. She brings extensive governance, consumer engagement, risk management and strategic planning skills to the Board.

**Board Deputy Chair**  
appointed  
1 April 2018

**Member Director**  
since  
5 April 2013

**Current term**  
commenced  
1 January 2016

## Qualifications

- Bachelor of Arts in Modern Asian Studies (Economics and Japanese)
- Graduate Diploma of HR/IRM
- Fellow, Australian Institute of Company Directors (AICD)
- Fellow, Australian Institute of Superannuation Trustees

## CareSuper board committee membership

- Chair, Governance and Remuneration Committee
- Benefit Payments Sub Committee<sup>^</sup>
- Compliance, Audit and Risk Management Committee
- Development and Product Committee\*
- Investment Committee
- Previous Chair, Member and Employer Services Committee



## KEITH HARVEY

Keith Harvey is a Director of Aspire Learning Resources, a not-for-profit publisher specialising in training materials for the business and community service sectors. He is also the Treasurer of the Australian Institute of Employment Rights, Inc.

For over 30 years, Keith has acted in the 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, and management.

**Member Director**  
since  
10 December 2013

**Current term**  
commenced  
1 January 2019

## Qualifications

- Bachelor of Arts (majors in Economics and Politics)
- Certificate IV, Assessment and Workplace Training
- Harvard University, Cambridge, Mass., USA – Trade Union Program 1987
- Graduate, Australian Institute of Superannuation Trustees

## CareSuper board committee membership

- Chair, Benefit Payments Sub Committee<sup>^</sup>
- Chair, Member and Employer Services Committee
- Investment Committee.

<sup>^</sup>As at 1 July 2019, the name of this committee was amended to the Benefit Payments Committee.

\*As at 1 July 2019, the committee was dissolved and its responsibilities transferred to the Member and Employer Services Committee.



**ALESSANDRA (SASCHA) PELDOVA-MCCLELLAND**

Sascha Peldova-McClelland is a Senior Legal/Industrial Officer at Unions NSW.

Sascha began her legal career at Maurice Blackburn in 2011, where she worked on a range of class actions, medical negligence, asbestos and employment and industrial cases. She joined Unions NSW in 2017 where, among other responsibilities, she co-ordinates multi-union enterprise bargaining and industrial disputes, and trains union affiliates on their industrial rights and obligations.

Sascha was part of the founding team of Living Leadership, a registered charity aimed at teaching young people leadership skills. She was appointed CEO of the charity from 2010 to 2013, after volunteering in various roles since 2005.

Sascha was nominated as a member director of CareSuper by Unions NSW. She contributes extensive legal, advocacy and technical skills, as well as a high degree of adaptability, to the Board.

**Member Director**  
since  
1 September 2018

**Current term**  
commenced  
1 September 2018

**Qualifications**

- Bachelor of Social Science and Laws (First Class Honours), Macquarie University
- Graduate Diploma of Legal Practice, College of Law
- Graduate, Australian Institute of Superannuation Trustees

**CareSuper board committee membership**

- Compliance, Audit and Risk Management Committee
- Development and Product Committee\*

\*As at 1 July 2019, the committee was dissolved, and its responsibilities divided and transferred to the Member and Employer Services Committee and the Board.



**ROBERT POTTER**

Robert Potter is the Assistant National Secretary leading the industrial team at the Australian Services Union. He is also a Director at E-OZ Energy Skills Australia. Additionally, Robert is one of four people to receive the 2019 Garry Weaven Emerging Trustee Scholarship.

Robert has broad experience both in government and the not-for-profit sector from marketing through to employee-employer relations.

He has spent two decades as an industrial advocate, with experience across project management, strategic planning and communications.

Robert was nominated as a member director by the ASU and brings extensive corporate governance and leadership skills to the Board.

**Member Director**  
since  
1 March 2019

**Current term**  
commenced  
1 March 2019

**Qualifications**

- Australian Institute of Company Directors (AICD), Governance Foundations for Not-For-Profit Directors
- Certificate in Australian Public Service
- DGL International, Quantum Factor Senior Leadership Program

**CareSuper board committee membership**

- Member and Employer Services Committee

# CareSuper Board (continued)



## CR LINDA SCOTT

Linda Scott is a Councillor for the City of Sydney, first elected in 2012 and re-elected in 2016. From September 2018 to August 2019 she served as the Deputy Lord Mayor for the City of Sydney.

Linda is also the elected President of Local Government NSW and the elected Vice-President of the Australian Local Government Association (ALGA).

Linda currently serves on the boards of the NSW Environmental Trust and the NSW Public Service Medal Committee. She is also an alternate delegate to the Central Sydney Planning Committee.

A strong advocate for local government, Linda works to ensure councils across NSW are given the tools and support to invest in the areas that matter to their communities.

Linda was nominated as a Member Director of CareSuper by Unions NSW. She brings in-depth knowledge of governance, research and community engagement and advocacy.

**Member Director**  
since  
11 December 2018

**Current term**  
commenced  
11 December 2018

## Qualifications

- Bachelor of Science (Psych) (Hons 1)
- Graduate of the Australian Institute of Company Directors (AICD)
- Justice of the Peace

## CareSuper board committee membership

- Governance and Remuneration Committee



## MICHELLE GARDINER

Michelle Gardiner has over 30 years' experience in financial services. Her career has included analytical and executive positions in stockbroking, funds management, advice, financial product ratings and superannuation.

While remaining active in the superannuation sector, Michelle also engages in small company consultation and volunteer work, drawing on an experience set that ranges from financial analysis to processes of cultural formation and change.

Michelle brings in-depth knowledge of funds management, asset consultancy and research and strategic planning to the Board.

**Employer Director**  
since  
1 January 2019

**Director**  
since  
9 February 2016

**Current term**  
commenced  
1 January 2019

## Qualifications

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

## CareSuper board committee membership

- Chair, Investment Committee
- Compliance, Audit and Risk Management Committee
- Development and Product Committee\*

\*As at 1 July 2019, the committee was dissolved, and its responsibilities divided and transferred to the Member and Employer Services Committee and the Board.



### DR JEREMY JOHNSON AM

Dr Jeremy Johnson AM 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.

**Employer Director**  
since  
1 January 2018

**Current term**  
commenced  
1 January 2018

### Qualifications

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

### CareSuper board committee membership

- Benefit Payments Sub Committee<sup>^</sup>
- Investment Committee
- Member and Employer Services Committee

<sup>^</sup>As at 1 July 2019, the name of this committee was amended to the Benefit Payments Committee.



### CLAIRE KEATING

Claire Keating is a qualified Chartered Accountant and experienced director. Her current board roles include Victorian Managed Insurance Authority, State Super NSW, Yooralla and the Judicial Commission of Victoria.

Claire was a Registered Company Auditor and Partner at PricewaterhouseCoopers (PwC) from 2002 to 2016. She held senior roles at PwC, including Melbourne lead 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 and superannuation, she is highly knowledgeable in superannuation administration and risk management.

**Employer Director**  
since  
1 January 2017

**Current term**  
commenced  
1 January 2017

### Qualifications

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

### CareSuper board committee membership

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



### KATHERINE SAMPSON

Katherine Sampson 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 as Deputy Chair of the Australian Press Council.

**Employer Director**  
since  
1 May 2014

**Current term**  
commenced  
1 January 2018

#### Qualifications

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

#### CareSuper board committee membership

- Chair, Development and Product Committee\*
- Governance and Remuneration Committee



### 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.

**Ceased as Director on**  
31 December 2018

#### Qualifications

- Bachelor of Arts (Social Sciences), La Trobe University
- Fellow of Australian Institute of Superannuation Trustees (AIST)
- Graduate of AIST

#### CareSuper board committee membership

- Member and Employer Services Committee
- Development and Product Committee\*
- Investment 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.

**Ceased as Director on**  
31 October 2018

#### 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\*

\*As at 1 July 2019, the committee was dissolved, and its responsibilities divided and transferred to the Member and Employer Services Committee and the Board.



**Ceased as  
Director on**  
31 December 2018

**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



**Ceased as  
Director on**  
31 December 2018

**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.

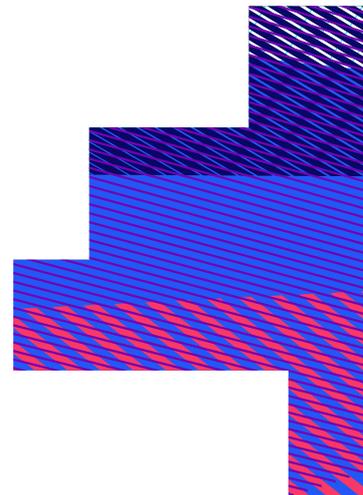
She brings in-depth knowledge of finance, accounting and compliance and risk to the Board.

**Qualifications**

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

**CareSuper board committee membership**

- Investment Committee
- Compliance, Audit and Risk Management Committee



## ASSOCIATED DIRECTORSHIPS

During 2018/19, some of our directors and executives held board positions with organisations with which CareSuper has a commercial relationship as a member, sponsor, client or investor.

### TERRY WETHERALL

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

### JULIE BIGNELL

- ACSI Member Council
- Director, ACSI

### JULIE LANDER

- Director, AIST
- Director, Fund Executives Association Ltd (FEAL)
- Director, Business Council of Cooperatives and Mutuals (BCCM)

### MICHELLE GARDINER

- IFM Shareholder Advisory Board (remunerated)

### DR JEREMY JOHNSON AM

- Director/President, Australian Chamber of Commerce and Industry
- Executive Council of Victorian Chamber of Commerce and Industry (VCCI)

### CLAIRE KEATING

- Director, Antares Capital Partners Ltd
- Director, MLC Investments Ltd
- Director, National Asset Management Ltd
- Director, Navigator Australia Limited
- Compliance Committee, Legg Mason Asset Management Australia Ltd

### ROBERT POTTER

- Deputy National Secretary, ASU

### GABRIEL SZONDY

- Director/Chair, Frontier Advisors Pty Ltd
- Director, CIE

### CATE WOOD

- Director, ISPT Pty Ltd (remunerated)
- Director IIPT Pty Ltd
- Director and Chair, Women In Super
- Director, Mother's Day Classic Foundation
- Director, Industry Super Australia Pty Ltd
- IFM Shareholder Advisory Board (remunerated)

## BOARD COMMITTEES

To help meet its obligations and oversee certain fund operations, the Board has established several committees.

All directors are required to serve on at least one and generally two committees for which they receive a fee. The chair is a member of one committee 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 (MESC) 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<sup>^</sup>

The purpose of the Development and Product Committee (DPC) 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.

<sup>^</sup>As at 1 July 2019, this committee was dissolved and its responsibilities divided and transferred to the Member and Employer Services Committee and the Board.

### BENEFIT PAYMENTS SUB COMMITTEE<sup>#</sup>

The purpose of the Benefits Payments Sub Committee is to enable the Fund to meet the need for speedy, effective and informed decisions on claims for benefits under the various insurance policies and other provisions of the Fund's Trust Deed or relevant law. It also acts as a source of information and advice to the MESC and to the Board on detailed aspects of these functions.

<sup>#</sup> As at 1 July 2019, the name of this committee was amended to the Benefit Payments Committee.

# CareSuper Board (continued)

## BOARD AND COMMITTEE REMUNERATION

The Board brings 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) <sup>1</sup>	2018/19 - \$87,959.04 2017/18 - \$78,673.83	2018/19 - \$9,480.89 2017/18 - \$7,474.04	Director	2018/19 - \$97,439.93 2017/18 - \$86,147.87
Julie Bignell (Deputy Chair) <sup>2</sup>	2018/19 - \$82,756.32 2017/18 - \$69,276.54	2018/19 - \$7,861.84 2017/18 - \$6,581.31	Director	2018/19 - \$90,618.16 2017/18 - \$75,857.85
Catherine (Cate) Wood <sup>3</sup>	2018/19 - \$28,005.06 2017/18 - \$93,560.73	2018/19 - \$2,660.46 2017/18 - \$8,888.25	Director	2018/19 - \$30,665.52 2017/18 - \$102,448.98
Katherine Sampson	2018/19 - \$61,821.96 2017/18 - \$58,267.59	2018/19 - \$5,873.04 2017/18 - \$5,535.38	Director	2018/19 - \$67,695.00 2017/18 - \$63,802.97
Chris Christodoulou <sup>10</sup>	2018/19 - \$18,222.24 2017/18 - \$53,544.12	2018/19 - \$1,731.12 2017/18 - \$5,086.68	Director	2018/19 - \$19,953.36 2017/18 - \$58,630.80
Keith Harvey	2018/19 - \$70,456.58 2017/18 - \$63,204.30	2018/19 - \$6,693.35 2017/18 - \$6,004.38	Director	2018/19 - \$77,149.93 2017/18 - \$69,208.68
Gabriel Szondy <sup>3</sup>	2018/19 - \$50,076.44 2017/18 - \$62,723.04	2018/19 - \$4,757.26 2017/18 - \$5,958.72	Director	2018/19 - \$54,833.70 2017/18 - \$68,681.76
Andrea Waters <sup>3</sup>	2018/19 - \$28,341.12 2017/18 - \$51,554.04	2018/19 - \$2,692.38 2017/18 - \$4,897.68	Director	2018/19 - \$31,033.50 2017/18 - \$56,451.72
Michelle Gardiner	2018/19 - \$66,309.50 2017/18 - \$59,481.00	2018/19 - \$6,299.38 2017/18 - \$5,650.68	Director	2018/19 - \$72,608.88 2017/18 - \$65,131.68
Claire Keating	2018/19 - \$64,283.16 2017/18 - \$62,960.04	2018/19 - \$6,106.92 2017/18 - \$5,981.16	Director	2018/19 - \$70,390.08 2017/18 - \$68,941.20
Jeremy Johnson <sup>4</sup>	2018/19 - \$62,424.26 2017/18 - \$29,402.52	2018/19 - \$5,863.80 2017/18 - \$2,793.24	Director	2018/19 - \$68,288.06 2017/18 - \$32,195.76
Gregory McLean <sup>5</sup>	2018/19 - \$0 2017/18 - \$47,257.87	2018/19 - \$0 2017/18 - \$4,489.54	Director	2018/19 - \$0 2017/18 - \$51,747.41
Mark Sibree <sup>6</sup>	2018/19 - \$0 2017/18 - \$30,726.54	2018/19 - \$0 2017/18 - \$2,919.00	Director	2018/19 - \$0 2017/18 - \$33,645.54
Alessandra Peldova-McClelland <sup>7</sup>	2018/19 - \$54,561.03 2017/18 - \$0	2018/19 - \$4,274.00 2017/18 - \$0	Unions NSW	2018/19 - \$58,835.03 2017/18 - \$0
Linda Scott <sup>8</sup>	2018/19 - \$29,861.49 2017/18 - \$0	2018/19 - \$2,836.85 2017/18 - \$0	Director	2018/19 - \$32,698.34 2017/18 - \$0
Robert Potter <sup>9</sup>	2018/19 - \$26,091.00 2017/18 - \$0	2018/19 - \$0 2017/18 - \$0	ASU	2018/19 - \$26,091.00 2017/18 - \$0

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

2 Appointed Deputy Chair 1 April 2018

3 Ceased 31 December 2018

4 Commenced 1 January 2018

5 Ceased 31 May 2018

6 Ceased 31 December 2017

7 Appointed 14 August 2018

8 Appointed 11 December 2018

9 Appointed 1 March 2019

10 Ceased 31 October 2018

# Compliance & risk management

We take managing our members' super very seriously. To make sure the Fund is managed openly, honestly and according to the law, we've established rigorous standards, policies and procedures.

## 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 Registrable Superannuation Entity, 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.

## CHANGES TO THE CONSTITUTION

In December 2018, our Constitution was amended to remove the Shop, Distributive and Allied Employees' Association (SDA) as a nominating organisation.

## CHANGES TO THE TRUST DEED

In February 2019, the following amendments were made to our Trust Deed:

- Inclusion of a provision to allow the Fund to offer members the ability to provide non-lapsing binding death benefit nominations
- Inclusion of a provision of an age-based membership limit to age 15 or over (with the exception of pension death benefit beneficiaries), and
- Clarification that an attorney cannot make a death benefit nomination on behalf of a member.

## TAX POLICY

CareSuper has a Taxation Policy that is reviewed at least annually. The taxation objective is to ensure that the Fund complies with its statutory taxation reporting obligations and is managed in accordance with all applicable laws and regulations.

The taxation philosophy of the Trustee is to:

- Maintain a conservative level of tax risk
- Maximise the after-tax returns to members, and
- Comply with the prevailing revenue laws in all relevant jurisdictions.

## PRIVACY POLICY

The Trustee updated the Fund's Privacy Policy & Privacy Collection Statement effective 30 March 2019. You can find it at [caresuper.com.au/privacy](https://caresuper.com.au/privacy).

## 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.

View our governance documents at [caresuper.com.au/governance](https://caresuper.com.au/governance).

# Corporate responsibility & sustainability

We're in super for the long term and recognise our broader responsibility to our employees, stakeholders, the community and the environment. We understand that the way we operate and invest not only affects our members' financial outcomes, but also the environmental, social and economic conditions of their later years and those of future generations.

## 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 and opportunities.

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. Evaluating investment managers on their ESG practices is an integral part of our manager appointment, monitoring and review process.  
**2018/19 Report:** In the past year, we carried out 49 full manager ESG assessments across asset classes.
- Exercise our voting rights at company meetings and use our influence to support positive corporate behaviours and drive improved ESG practices.  
**2018/19 Report:** We voted at more than 1300 shareholder meetings and voted against more than 120 resolutions. See how we voted at [caresuper.com.au/we-vote-protect-your-interests](https://caresuper.com.au/we-vote-protect-your-interests).
- 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. The key engagement themes include climate change, board diversity, corporate governance, labour and human rights, and corporate culture.  
**2018/19 Report:** In the past year, ACSI has held more than 260 engagement meetings with ASX300 companies on behalf of CareSuper and other member funds.
- Have been a signatory to the United Nations-supported Principles for Responsible Investment (PRI) since 2006.  
**2018/19 Report:** We reported against the six principles of the PRI and our responsible practices have been awarded A+ by the PRI based on its recent assessment.
- Invest in projects and businesses that contribute to the broader community. These include 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.

## JOINING FORCES FOR CHANGE

To share knowledge, grow awareness and support ESG initiatives, we work with the following organisations:

Australian Council of Superannuation Investors (ACSI)	Founding member
CDP (formerly known as the Carbon Disclosure Project)	Signatory
Climate Action 100+	Signatory
ESG Research Australia	Member
Global Investor Statement to Governments on Climate Change	Signatory
Principles for Responsible Investment (PRI)	Signatory
Responsible Investment Association Australasia (RIAA)	Member
Tobacco Free Finance Pledge	Signatory
30% Club	Member
Australian Asset Owner Stewardship Code	Signatory



### INDUSTRY LEADING

We have Infinity recognition from superannuation experts, SuperRatings. This rating recognises super funds that lead the industry in sustainable behaviour and are committed to responsible investment principles.

## CLIMATE CHANGE

We believe the best way to address the risks of Climate Change is through co-ordinated global co-operation and action. As global investors, we have a role to play. Our Climate change Position Statement outlines our actions to address the investment risks and opportunities of climate change. We'll continue to monitor emerging risks, research and market practices on climate change and respond appropriately in our investment activities.

Read our Climate Change Position Statement at [caresuper.com.au/climatechange](https://caresuper.com.au/climatechange).

## OUR COMMITMENT TO EFFECTIVE STEWARDSHIP

We're a proud signatory of the Australian Asset Owner Stewardship Code (the Code). This Code was developed in 2018 by asset owners and coordinated by the Australian Council of Superannuation Investors (ACSI).

The aim of the Code is to improve the quality and transparency of stewardship activities in Australia. Stewardship means we'll exercise our ownership rights in a manner that protects and enhances long-term investment values by promoting sustainable and responsible practices in the companies in which we invest. As part of the Code, we publicly report against six key principles. Find out more in our Stewardship Statement.

## 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.

**2018/19 Report:** In the reporting year, our various net promoter score metrics were very strong, and our last satisfaction survey showed that over 87% of members were 'highly satisfied' with our customer service.

## 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 about their relevant credentials.

See our list of service providers on [page 12](#).

## EDUCATING AND INFORMING MEMBERS

In line with our objective to help our members achieve their goals in life, we take 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, our website, MemberOnline, direct mail and email communication. General, limited, comprehensive and complex advice is also available.

**2018/19 Report:** In 2018/19, 1546 members attended a variety of CareSuper seminars held across Australia, and 1075 members sought advice from the financial planning team. Our Client Partnership Team carried out 2,518 workplace visits to meet with members and employers. Our Outbound team also spoke to more than 10,000 members about their super over the phone.

## FOSTERING AN ENGAGED, HIGH-PERFORMANCE WORKPLACE

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

**2018/19 Report:** This year's staff engagement survey showed extremely strong results with our staff responding in the top decile for engagement and alignment, winning us an award.

## INVESTING IN THE FUTURE

We look for investments that not only offer good returns, but are sustainable both financially and environmentally, generate jobs, foster innovation and contribute to a more productive economy.

And for those members for whom sustainability is the priority, we offer a dedicated option that specifically seeks to respond to social and environmental concerns while delivering strong long-term returns. Our Sustainable Balanced Option not only meets our ESG criteria, but also has investments that drive positive change towards a more sustainable and inclusive world.



Find out more about our Sustainable Balanced option at [caresuper.com.au/sustainable-super](https://caresuper.com.au/sustainable-super).

The resounding majority of staff strongly agreed that:

- They are proud to work at CareSuper
- Senior management acts with integrity
- A clear set of organisational values guides their workplace behaviours, and
- Their work group has a strong customer service focus and that it works well to achieve common goals.

Attracting, retaining and developing skilled employees who embody our goals and values is also crucial to maintaining our status as a high-performing fund.

**2018/19 Report:** Our staff turnover rate for the FY2019 year was 11%, compared with the financial services industry average of 18%.

Comprising representatives from every team, the Good to Great working group was responsible for several initiatives this year, including a revamped Reward & Recognition program linked to our SPIRIT values and a renewed focus on employee health & wellbeing.

### OPERATING SUSTAINABLY

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

We have continued with various sustainability measures, including:

- Our comprehensive recycling system
- Encouraging staff to use online communications and reporting systems to reduce travel and printing
- Energy efficient workspaces through use of green energy
- Improving the energy efficiency of our offices
- Discounted travel passes for staff to use public transport, and
- Purchasing carbon offsets for travel.

To further minimise our operational footprint, we're planning to offset our carbon emissions from our operations for FY2019 and FY2018. Currently, we're in the process of obtaining our carbon neutral certification, which complies with the National Carbon Offset Standard.

### 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.

**2018/19 Report:** Community engagement continued in 2019 with our staff encouraged to donate blood and participate in community events such as the Mother's Day Classic, which we sponsor. Our staff

contributed \$790 towards our CEO's impressive fundraising total of \$34,431.

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

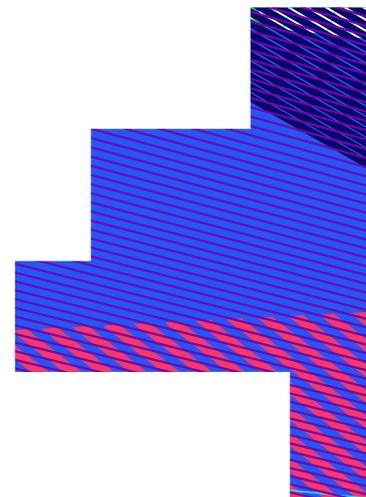
### EXHIBITING THE HIGHEST STANDARDS OF GOVERNANCE

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.

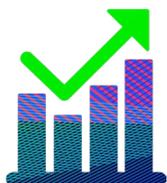
**2018/19 Report:** In 2018, we adopted AIST's new Governance Code. Adherence to the Code requires annual reporting and compliance review. The first year of reporting is 2019 and our report has been submitted. The Board continues to undertake a benchmarked Board Effectiveness Survey, which in 2018 demonstrated positive results, with a focus on strategy and continuous improvement.

### 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.



# Investment philosophy



Our investment philosophy guides the way we invest your 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.

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

## 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 our 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.

To learn more, visit [caresuper.com.au/investments](https://caresuper.com.au/investments).



# 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 fewer volatile returns relative to peers
- Provide competitive returns
- Provide commensurate return for risk
- Manage liquidity
- Consider environmental, social and governance (ESG) issues for integration purposes
- 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 investment matters including the selection of investment managers whose investment objectives must be consistent with our requirements. Controls applied to the managers are consistent with our objectives and philosophy.

## INVESTMENT RISK

Your savings will be affected by the investment return of your chosen investment option(s). No investment is completely risk-free, but some investments carry more risk than others. Risk can mean either a fall in the value of an investment, particularly over shorter periods, or an investment not meeting its return objective over the long term. Generally, the higher the expected return, the greater the risk. Investing for the future involves different sorts of risks that may be more or less important depending on your circumstances. For more information about the types of risk, read our Investment Guide or Pension Guide at [caresuper.com.au/pds](https://caresuper.com.au/pds).

## 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.

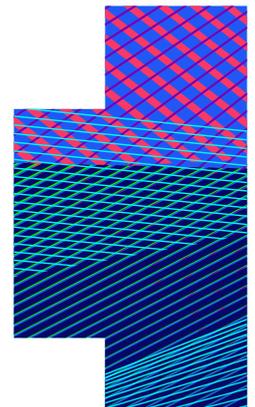
## VOTING

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 our 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](https://caresuper.com.au/we-vote-protect-your-interests).



# Investment approach (continued)

## INVESTMENT EXPOSURES

At 30 June 2019, the following investment managers held more than 5% of CareSuper's assets (figures rounded to two decimal places).

<b>IFM Investors</b>	<b>8.12%</b>
- IFM Enhanced Index Equities	4.91%
- IFM Australian Infrastructure Fund	1.90%
- IFM Specialised Credit Fund	0.88%
- IFM International Private Equity Fund III	0.23%
- IFM Infrastructure Debt	0.14%
- IFM Australian Private Equity Fund IV	0.02%
- IFM International Private Equity Fund II	0.02%
- IFM Australian Private Equity Fund III	0.00%
- IFM International Private Equity Fund I	0.00%
<b>Colonial First State Australian Cash</b>	<b>5.98%</b>
<b>MFS Global Equity Trust</b>	<b>5.11%</b>

## 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 (0.25% of net assets as at 30 June 2019). Reserves are formally reviewed on a quarterly basis.

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 in 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.

	2018/2019 \$'000	2017/2018 \$'000	2016/2017 \$'000
General reserve	125,868	133,187	113,625
ORR	39,699	36,041	37,567
<b>Total Reserves</b>	<b>165,567</b>	<b>169,228</b>	<b>151,192</b>

## 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. Prior to April 2019, these were calculated weekly. Since April 2019, unit prices (both buy and sell) for each investment option are calculated each business day (Monday to Friday excluding public holidays) taking into account the closing valuations from the previous business day and are published on our website within two business days.

Every member's account balance information is calculated by the number of units they own multiplied by the applicable 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, account keeping and administration fees, insurance premiums and tax deducted directly from an account.

To find out more about buy-sell spreads and how unit prices are calculated, read our Investment Guide or Pension Guide at [caresuper.com.au/pds](http://caresuper.com.au/pds).



# Investment performance

Investment update with Chief Investment Officer, Suzanne Branton

## For the year

The 2019 financial year was a good one for both super and pension members, with our Balanced option delivering its tenth consecutive year of positive returns and real growth over inflation.

The Balanced option for both super and pension members comfortably outperformed their investment objectives, returning 6.88% for super and 7.50% for pension members.

CareSuper's other diversified options also delivered positive returns for the financial year. The best performers were those options with higher allocations to growth assets such as shares, direct property, infrastructure and private equity.

The returns for all our investment options across the various time frames are set out in the tables below.

## How we compare

Our investment approach is designed to give you real growth over time. So how have we performed over the long-term?

According to the SuperRatings survey, our Balanced (MySuper) option was the #1 performer among comparable funds, over 20 years to 30 June 2019, with an average return of 8.13% per annum. It also ranked amongst the top 10 performing funds over 5, 7, 10 and 15 years<sup>1</sup>.

And for our pension members, who mainly have their money invested in our Balanced and Conservative Balanced options, there's more good news. Both of these options were also among the top performers over similar long-term timeframes<sup>2</sup>.

Our historically strong returns come down to our proven investment

philosophy, which is founded on a belief in active management and the genuine long-term horizon of super.

We don't get distracted by short-term trends in the market but remain focused on what's going to make the biggest difference to our members' retirement savings, and that's the long-term net returns.

<sup>1</sup> SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index, June 2019.

<sup>2</sup> SuperRatings Pension Fund Crediting Rate Survey - June 2019. Various indices.

## RETURNS AT A GLANCE

Here are our actual annual returns for the financial years 2015 to 2019 and compound average annual returns for other timeframes (all after investment fees, indirect costs and tax) as at 30 June 2019. These returns are for the Managed and Asset class investment options.

### SUPER

Investment choice	2019	2018	2017	2016	2015	10 yr	7 yr	5 yr	3 yr
<b>Managed options</b>									
Balanced	6.88%	10.10%	11.70%	4.45%	10.76%	9.34%	10.36%	8.74%	9.55%
Growth	7.13%	11.53%	13.69%	3.04%	11.78%	10.13%	11.67%	9.36%	10.76%
Alternative Growth	6.45%	9.59%	11.54%	5.47%	9.68%	9.39%	10.28%	8.52%	9.18%
Sustainable Balanced	9.37%	8.53%	9.36%	4.35%	9.79%	8.98%	9.92%	8.26%	9.09%
Conservative Balanced	5.52%	7.21%	8.83%	3.08%	8.26%	7.71%	7.91%	6.56%	7.19%
Capital Stable	4.96%	5.73%	6.86%	3.56%	6.67%	6.81%	6.59%	5.55%	5.85%
Capital Guaranteed	1.89%	1.64%	1.65%	2.27%	2.91%	2.13%	1.85%	2.07%	1.73%
<b>Asset class options</b>									
Overseas shares	7.22%	12.04%	18.56%	-0.39%	20.47%	11.82%	14.90%	11.32%	12.52%
Australian shares	7.74%	15.93%	14.72%	0.19%	7.60%	9.99%	11.78%	9.09%	12.75%
Direct Property	8.37%	12.74%	12.94%	13.34%	9.61%	9.14%	10.18%	11.38%	11.34%
Fixed Interest	5.53%	2.14%	1.77%	4.05%	4.87%	5.83%	4.18%	3.66%	3.14%
Capital Secure*	2.00%	1.92%	2.08%	2.44%	2.78%	3.05%	2.49%	2.24%	2.00%

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

\*On 1 August 2019, the name of this option changed to 'Cash'. Only the name has changed - its objectives and features remain the same.

# Investment performance (continued)

## TRANSITION TO RETIREMENT

Investment choice	2019	2018	2017	2016	2015	10 yr	7 yr	5 yr	3 yr
<b>Managed options</b>									
Balanced	6.88%	10.10%	12.67%	4.89%	11.64%	10.35%	11.13%	9.20%	9.86%
Growth	7.13%	11.53%	14.68%	3.89%	12.84%	11.13%	12.58%	9.94%	11.08%
Alternative Growth	6.45%	9.59%	12.81%	5.88%	10.72%	10.26%	10.94%	9.06%	9.59%
Sustainable Balanced	9.37%	8.53%	10.22%	4.58%	10.83%	9.98%	10.73%	8.69%	9.38%
Conservative Balanced	5.52%	7.21%	9.53%	3.77%	8.85%	8.56%	8.63%	6.95%	7.41%
Capital Stable	4.96%	5.73%	7.47%	4.08%	7.55%	7.56%	7.19%	5.95%	6.05%
Capital Guaranteed	1.89%	1.64%	2.03%	2.61%	3.41%	2.28%	2.05%	2.31%	1.85%
<b>Asset class options</b>									
Overseas shares	7.22%	12.04%	20.94%	-0.45%	21.85%	13.04%	16.16%	12.00%	13.27%
Australian shares	7.74%	15.93%	16.35%	1.27%	8.18%	11.09%	12.92%	9.75%	13.28%
Direct Property	8.37%	12.74%	14.95%	14.86%	10.92%	10.12%	11.18%	12.34%	11.99%
Fixed Interest	5.53%	2.14%	2.23%	4.68%	5.44%	6.59%	4.67%	3.99%	3.29%
Capital Secure*	2.00%	1.92%	2.43%	2.66%	3.22%	3.50%	2.80%	2.45%	2.12%

## PENSION

Investment choice	2019	2018	2017	2016	2015	10 yr	7 yr	5 yr	3 yr
<b>Managed options</b>									
Balanced	7.50%	11.09%	12.67%	4.89%	11.64%	10.51%	11.36%	9.52%	10.41%
Growth	7.98%	12.58%	14.68%	3.89%	12.84%	11.33%	12.86%	10.32%	11.72%
Alternative Growth	6.81%	10.90%	12.81%	5.88%	10.72%	10.43%	11.19%	9.39%	10.15%
Sustainable Balanced	10.60%	9.60%	10.22%	4.58%	10.83%	10.21%	11.06%	9.14%	10.15%
Conservative Balanced	6.10%	8.31%	9.53%	3.77%	8.85%	8.73%	8.87%	7.29%	7.98%
Capital Stable	5.54%	6.42%	7.47%	4.08%	7.55%	7.69%	7.37%	6.21%	6.48%
Capital Guaranteed	2.28%	1.97%	2.03%	2.61%	3.41%	2.36%	2.15%	2.46%	2.10%
<b>Asset class options</b>									
Overseas shares	8.28%	13.96%	20.94%	-0.45%	21.85%	13.35%	16.61%	12.60%	14.28%
Australian shares	8.80%	17.86%	16.35%	1.27%	8.18%	11.38%	13.34%	10.33%	14.27%
Direct Property	8.79%	13.84%	14.95%	14.86%	10.92%	10.27%	11.39%	12.65%	12.50%
Fixed Interest	6.41%	2.50%	2.23%	4.68%	5.44%	6.71%	4.85%	4.24%	3.70%
Capital Secure*	2.39%	2.26%	2.43%	2.66%	3.22%	3.58%	2.91%	2.59%	2.36%

The returns shown on this page 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.

\*On 1 August 2019, the name of this option changed to 'Cash'. Only the name has changed - its objectives and features remain the same.

# Investment choices

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

Members can invest in a pre-mixed combination of assets or create their own investment strategy by mixing and matching any of our Managed and Asset class options. Eligible members also have the choice to invest part of their super directly in Australian shares, exchange trade funds, listed investment companies and term deposits through the DIO.

Explore our investment choices at [caresuper.com.au/investments](https://caresuper.com.au/investments).

## ACTUAL ASSET ALLOCATIONS

For information on the actual asset allocations to 30 June 2019 and the preceding financial year, please refer to the tables below. Please note that the government introduced changes to the taxation of investment earnings on Transition to Retirement (TTR) accounts from 1 July 2017, which meant that they were no longer 'tax free'. Having regard to these changes, the asset allocation figures for TTR are the same as for super for 2019 and 2018. Previously TTR and pension were the same.

Below is a summary of each of our Managed and Asset Class options as at 30 June 2019.

For more details on the strategic asset allocation (or benchmark) for each investment option, please see the Investment or Pension Guide at [caresuper.com.au/pds](https://caresuper.com.au/pds).

### BALANCED (MYSUPER)

<b>Overview</b>	The Balanced (MySuper) 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. Your money will be invested in this option if you don't make an investment choice.				
<b>Return objective</b>	To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year (over rolling 10-year periods). To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.				
<b>Risk level</b>	<b>Medium.</b> The chance of a negative annual return is 2.9 in every 20 years.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Australian Shares	22	25	22	25	10-40
Overseas Shares	26	19	26	18	10-40
Property	12	13	13	13	0-25
Alternatives	24	26	25	29	0-55
Fixed Interest	6	5	5	6	5-35
Cash	11	11	9	9	0-30

## GROWTH

<b>Overview</b>	The Growth 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.				
<b>Return objective</b>	To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year (over rolling 10-year periods). To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.				
<b>Risk level</b>	<b>Medium to high.</b> The chance of a negative annual return is 3.5 in every 20 years.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Australian Shares	28	33	28	33	15-50
Overseas Shares	36	26	35	25	15-50
Property	12	13	12	14	0-25
Alternatives	19	21	22	24	0-70
Cash	6	7	3	4	0-20

## ALTERNATIVE GROWTH

<b>Overview</b>	The Alternative Growth 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.				
<b>Return objective</b>	To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3.5% per year (over rolling 10-year periods). To produce a less volatile return profile than the Growth option by investing a significant portion of the portfolio in alternative investments.				
<b>Risk level</b>	<b>Medium.</b> The chance of a negative annual return is 2.5 in every 20 years				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Australian Shares	20	24	20	24	10-40
Overseas Shares	24	17	24	17	10-40
Property	12	13	12	13	0-25
Alternatives	37	39	41	43	10-85
Cash	7	7	3	3	0-20

## SUSTAINABLE BALANCED

<b>Overview</b>	The Sustainable Balanced option seeks to select investment managers for the Australian and overseas shares asset classes based on a higher degree of focus on environmental, social and governance (ESG) standards, as well as investing in a wide range of other asset classes.				
<b>Return objective</b>	To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year (over rolling 10-year periods). Within the Australian and overseas shares asset classes, to favour industries and companies that are expected to achieve sound investment returns, maintain good social and/or environmental records and have a sustainable future.				
<b>Risk level</b>	<b>Medium.</b> The chance of a negative annual return is 2.9 in every 20 years for super and transition to retirement accounts and 2.8 in every 20 years for full pension accounts.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Australian Shares	22	25	21	25	10-40
Overseas Shares	26	19	26	18	10-40
Property	12	13	12	13	0-25
Alternatives	24	26	27	29	0-55
Fixed Interest	5	5	6	6	5-35
Cash	11	12	8	9	0-30



Find out more about our Sustainable Balanced option at [caresuper.com.au/sustainable-super](https://caresuper.com.au/sustainable-super).

## CONSERVATIVE BALANCED

<b>Overview</b>	The Conservative Balanced 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).				
<b>Return objective</b>	To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 2.5% per year (over rolling 10-year periods). To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.				
<b>Risk level</b>	<b>Medium.</b> The chance of a negative annual return is 2.1 in every 20 years for super and transition to retirement accounts and 2.0 in every 20 years for full pension accounts.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Australian Shares	17	20	17	20	5-30
Overseas Shares	20	14	20	14	5-30
Property	7	8	7	8	0-15
Alternatives	21	23	24	26	0-45
Fixed Interest	9	9	9	9	0-50
Cash	26	26	23	23	10-60

## CAPITAL STABLE

<b>Overview</b>	The Capital Stable 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.				
<b>Return objective</b>	To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 2% per year (over rolling 10-year periods). To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.				
<b>Risk level</b>	<b>Low to medium.</b> 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.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Australian Shares	11	13	11	13	0-25
Overseas Shares	13	9	13	9	0-25
Property	6	7	6	7	0-15
Alternatives	19	20	22	23	0-35
Fixed Interest	15	15	15	15	0-50
Cash	36	36	33	33	10-70

## CAPITAL GUARANTEED

<b>Overview</b>	The Capital Guaranteed option invests in the AMP Capital Guaranteed Savings Account managed by AMP Life Limited (AMP). The asset allocation for this option is determined by AMP and is mainly made up of cash with some fixed interest investments. The capital guarantee for this product is provided by AMP. CareSuper itself does not guarantee the security of capital. From time to time, this option may also invest in the term deposits of Authorised Deposit Taking Institutions and hold a modest amount of cash for liquidity purposes. These securities are not covered by AMP's guarantee. The underlying financial product that this option invests in is subject to change by the Trustee at its discretion at any time, without prior notice to you.				
<b>Return objective</b>	To achieve returns after tax and fees at least in line with the inflation rate (as measured by the CPI) over rolling 10-year periods. To provide a full guarantee on capital and credited accrued interest. To provide 'smooth' returns which iron out market fluctuations and are never negative.				
<b>Risk level</b>	<b>Very low.</b> The chance of a negative annual return is nil in every 20 years.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Fixed Interest	22	22	22	22	0-50
Cash	78	78	78	78	50-100

## ASSET CLASS OPTIONS

### OVERSEAS SHARES

<b>Overview</b>	The Overseas Shares option invests in shares listed on the stock exchanges around the world, including both developed and emerging markets. To provide diversification a number of different investment managers with different approaches are appointed.				
<b>Return objective</b>	To outperform the return of the overseas share market (as measured by the MSCI All Country World ex-Australia Index in \$AUD).# To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year (over rolling 10-year periods). #The benchmark used is a composite of the hedged and unhedged MSCI All Country World ex-Australia indices to reflect use of currency hedging in managing the option.				
<b>Risk level</b>	<b>High.</b> The chance of a negative annual return is 4.4 in every 20 years.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Overseas Shares	100	100	100	100	n/a

### AUSTRALIAN SHARES

<b>Overview</b>	The Australian Shares option invests mainly in shares of Australian companies listed on the Australian Securities Exchange (ASX). To provide diversification, a number of different investment managers with varying approaches are appointed.				
<b>Return objective</b>	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 (as measured by the CPI) by at least 4% per year (over rolling 10-year periods).				
<b>Risk level</b>	<b>High.</b> The chance of a negative annual return is 5.4 in every 20 years.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Australian Shares	100	100	100	100	n/a

### DIRECT PROPERTY

<b>Overview</b>	The Direct Property 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.				
<b>Return objective</b>	To outperform the return of the Australian direct property market (as measured by the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index). To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year (over rolling 10-year periods).				
<b>Risk level</b>	<b>Medium to high.</b> The chance of a negative annual return is 3.2 in every 20 years.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Direct Property	100	100	100	100	n/a

## FIXED INTEREST

<b>Overview</b>	The Fixed Interest 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.				
<b>Return objective</b>	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] and cash). To achieve returns after tax and fees at least in line with the inflation rate (as measured by the CPI) over rolling 10-year periods.				
<b>Risk level</b>	<b>Very low.</b> The chance of a negative annual return is 0.2 in every 20 years.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Fixed Interest	65	65	65	65	50-100
Cash	35	35	35	35	0-50

## CAPITAL SECURE\*

<b>Overview</b>	The Capital Secure option invests in a mix of cash and money-market securities, including at call and term deposits, bank bills, negotiable certificates of deposit, short-dated and floating rate securities issued by Australian and overseas government, banks and companies.				
<b>Return objective</b>	To outperform the return of the Australian cash market (as measured by the Bloomberg AusBond Bank Bill Index). To achieve returns after tax and fees that is at least in line with the inflation rate (as measured by the CPI) each year (over rolling 10-year periods).				
<b>Risk level</b>	<b>Very low.</b> The chance of a negative annual return is nil in every 20 years.				
<b>Asset mix</b>	<b>Actual asset allocations (%) year ended:</b>				<b>Range (%)</b>
	<b>30 June 2019</b>		<b>30 June 2018</b>		
	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super &amp; TTR</b>	<b>Pension</b>	<b>Super, TTR &amp; Pension</b>
Cash	100	100	100	100	n/a

\*On 1 August 2019, the name of this option changed to 'Cash'. Only the name has changed – its objectives and features remain the same.

# 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 2019 and 30 June 2018.

CareSuper's investment managers during 2018/19	Investments held by managers			
	2019		2018	
	\$m	% of Fund	\$m	% of Fund
<b>Absolute Return</b>				
BNP Absolute Return Fixed Interest Trust	273.41	1.67%	272.81	1.83%
GAM Absolute Return Bond Fund <sup>2</sup>	0.00	0.00%	263.34	1.76%
Insight Absolute Return Bond Fund	262.98	1.60%	264.03	1.77%
Wellington Global Total Return	243.99	1.49%	234.70	1.57%
<b>Total</b>	<b>780.37</b>	<b>4.76%</b>	<b>1034.88</b>	<b>6.93%</b>
<b>Australian Shares</b>				
Airlie Australian Equities	238.66	1.45%	232.01	1.55%
Lennox Capital Partners Australian Equities <sup>1</sup>	48.34	0.29%	0.00	0.00%
IFM Enhanced Index Equities	806.17	4.91%	726.99	4.87%
Ophir High Conviction Australian Equities	115.47	0.70%	105.62	0.71%
Ophir Opportunities Fund	90.15	0.55%	75.31	0.50%
Optar Australian Equities	202.33	1.23%	42.50	0.28%
Paradise Investment Management Large Caps	754.29	4.60%	725.71	4.86%
Renaissance Smaller Companies	109.68	0.67%	149.40	1.00%
Schroder Australian Equities	761.78	4.64%	696.76	4.67%
Ubique Australian Equities	579.32	3.53%	547.86	3.67%
<b>Total</b>	<b>3706.19</b>	<b>22.59%</b>	<b>3302.16</b>	<b>22.11%</b>
<b>Capital Guaranteed</b>				
AMP Guaranteed Savings Account <sup>3</sup>	102.35	0.62%	79.53	0.53%
<b>Total</b>	<b>102.35</b>	<b>0.62%</b>	<b>79.53</b>	<b>0.53%</b>
<b>Cash</b>				
Colonial First State Australian Cash	980.53	5.98%	899.15	6.02%
Term Deposits	926.71	5.65%	699.56	4.68%
<b>Total</b>	<b>1907.24</b>	<b>11.63%</b>	<b>1598.71</b>	<b>10.71%</b>
<b>Credit</b>				
Apollo Credit Fund	180.78	1.10%	164.87	1.10%
Barings Multi Strategy Credit	272.10	1.66%	303.60	2.03%
HayFin Direct Lending Fund	7.66	0.05%	16.92	0.11%
HayFin Direct Lending Fund II	108.64	0.66%	73.38	0.49%
IFM Infrastructure Debt	22.38	0.14%	38.71	0.26%
Shenkman Capital Bank Loans	282.16	1.72%	280.75	1.88%
<b>Total</b>	<b>873.72</b>	<b>5.33%</b>	<b>878.22</b>	<b>5.88%</b>
<b>Direct Property</b>				
Charter Hall Prime Office Fund	429.91	2.62%	365.80	2.45%
DEXUS Wholesale Property Fund	726.73	4.43%	688.83	4.61%
Eureka Development Fund No. 2 <sup>4</sup>	0.01	0.00%	0.01	0.00%

CareSuper's investment managers during 2018/19	Investments held by managers			
	2019		2018	
	\$m	% of Fund	\$m	% of Fund
ISPT Core Fund	628.73	3.83%	587.81	3.94%
ISPT Development & Opportunities Fund No. 2	3.70	0.02%	4.80	0.03%
ISPT International Property Trust <sup>5</sup>	0.02	0.00%	0.02	0.00%
ISPT Retail Australia Property Trust	154.94	0.94%	147.43	0.99%
Lend Lease Australian Prime Property Fund Retail	37.66	0.23%	38.86	0.26%
<b>Total</b>	<b>1981.70</b>	<b>12.08%</b>	<b>1833.56</b>	<b>12.28%</b>
<b>Fixed Interest</b>				
Franklin Templeton Global Aggregate Bond Fund <sup>2</sup>	0.00	0.00%	109.40	0.73%
IFM Specialised Credit Fund	144.58	0.88%	144.62	0.97%
Janus Henderson Australian Fixed Interest	190.02	1.16%	209.67	1.40%
Brandywine Global Fixed Income Fund	219.07	1.34%	207.12	1.39%
ME Bank Super Loans Trust	1.29	0.01%	1.50	0.01%
UBS Australian Fixed Interest	190.55	1.16%	173.87	1.16%
Western Fixed Income <sup>1</sup>	226.03	1.38%	0.00	0.00%
<b>Total</b>	<b>971.74</b>	<b>5.92%</b>	<b>846.18</b>	<b>5.67%</b>
<b>Infrastructure</b>				
AMP Capital Infrastructure Equity Fund	258.25	1.57%	249.23	1.67%
Antin Co Investment Fund <sup>1</sup>	23.86	0.15%	0.00	0.00%
Antin Infrastructure Fund	3.46	0.02%	6.08	0.04%
Antin Infrastructure Fund III	96.30	0.59%	26.55	0.18%
Hastings Utilities Trust Of Australia	352.11	2.15%	290.58	1.95%
IFM Australian Infrastructure Fund	312.44	1.90%	271.54	1.82%
Macquarie Global Infrastructure Fund II	48.22	0.29%	39.74	0.27%
<b>Total</b>	<b>1094.65</b>	<b>6.67%</b>	<b>883.72</b>	<b>5.92%</b>
<b>Overseas Shares</b>				
Antipodes Partners Global Equity	588.67	3.59%	562.61	3.77%
Baillie Gifford Long Term Global Growth	255.79	1.56%	351.42	2.35%
Intermede Global Equities <sup>1</sup>	348.45	2.12%	0.00	0.00%
Janus Henderson Global Equity <sup>1</sup>	184.61	1.13%	0.00	0.00%
MFS Global Equity Trust	838.58	5.11%	902.14	6.04%
Neuberger Berman Emerging Markets	260.83	1.59%	245.28	1.64%
Orbis Global Equity Fund	475.08	2.90%	471.94	3.16%
Robeco Global Equities <sup>1</sup>	553.95	3.38%	0.00	0.00%
Schroder Global Dynamic Blend <sup>2</sup>	0.00	0.00%	510.72	3.42%
Stewart Investors Global Emerging Markets <sup>2</sup>	0.00	0.00%	226.40	1.52%
Wellington Global Contrarian Equity	468.19	2.85%	416.06	2.79%
<b>Total</b>	<b>3974.15</b>	<b>24.23%</b>	<b>3686.56</b>	<b>24.69%</b>
<b>Private Equity</b>				
Advent Private Capital V	0.43	0.00%	1.56	0.01%
Bain Capital Fund IX	1.76	0.01%	2.31	0.02%
Coller International Partners V	0.91	0.01%	1.23	0.01%
HarbourVest Co-Investment Opportunities Fund	31.40	0.19%	10.15	0.07%
HarbourVest Partners IV	95.59	0.58%	77.23	0.52%

CareSuper's investment managers during 2018/19	Investments held by managers			
	2019		2018	
	\$m	% of Fund	\$m	% of Fund
Highland Credit Opportunities Fund	4.92	0.03%	4.70	0.03%
IFM Australian Private Equity Fund III	0.82	0.00%	0.71	0.00%
IFM Australian Private Equity Fund IV	3.89	0.02%	3.96	0.03%
IFM International Private Equity Fund I	0.23	0.00%	0.19	0.00%
IFM International Private Equity Fund II	3.54	0.02%	3.94	0.03%
IFM International Private Equity Fund III	38.18	0.23%	40.26	0.27%
Industry Super Holdings Pty Ltd	35.68	0.22%	29.75	0.20%
LGT Crown Europe Middle Market II	21.04	0.13%	26.43	0.18%
LGT Crown Global Secondaries II	7.01	0.04%	9.50	0.06%
Members Equity Bank Pty Ltd	44.97	0.27%	42.74	0.29%
Partners Group Direct Investments 2012	103.53	0.63%	100.37	0.67%
Partners Group Direct Investments 2016	93.21	0.57%	51.62	0.35%
Partners Group Secondary 2008	5.08	0.03%	6.80	0.05%
Partners Group Secondary 2011	57.86	0.35%	79.52	0.53%
Partners Group Yarra LP1	20.57	0.13%	0.00	0.00%
Siguler Guff Collins Fund	41.33	0.25%	19.05	0.13%
Siguler Guff Distressed Opportunities IV	50.56	0.31%	52.39	0.35%
Siguler Guff Small Buyout Opportunities Fund II	83.52	0.51%	94.03	0.63%
Siguler Guff Small Buyout Opportunities Fund III	36.85	0.22%	22.51	0.15%
Stafford International Timberland VI	21.25	0.13%	20.01	0.13%
Wilshire Private Markets	18.22	0.11%	18.81	0.13%
Wilshire Private Markets Asia No. 2	1.47	0.01%	1.96	0.01%
<b>Total</b>	<b>823.81</b>	<b>5.02%</b>	<b>721.74</b>	<b>4.83%</b>
<b>Sustainable Australian Shares</b>				
Alphinity Sustainable Shares <sup>1</sup>	60.09	0.37%	0.00	0.00%
AMP Capital Sustainable Share Fund <sup>2</sup>	0.00	0.00%	31.49	0.21%
DNR Socially Responsible Australian Equities <sup>1</sup>	35.13	0.21%	0.00	0.00%
<b>Total</b>	<b>95.23</b>	<b>0.58%</b>	<b>31.49</b>	<b>0.21%</b>
<b>Sustainable Overseas Shares</b>				
Baillie Gifford Positive Change <sup>1</sup>	10.06	0.06%	0.00	0.00%
Candriam Sustainable Global Equity Fund <sup>2</sup>	0.00	0.00%	36.81	0.25%
Impax Asset Management <sup>1</sup>	33.94	0.21%	0.00	0.00%
Robeco Sustainable Global Equities <sup>1</sup>	49.28	0.30%	0.00	0.00%
<b>Total</b>	<b>93.27</b>	<b>0.57%</b>	<b>36.81</b>	<b>0.25%</b>
	<b>16,404.41</b>		<b>14,933.57</b>	

<sup>1</sup> Appointed/added during 2018/19.

<sup>2</sup> Terminated during 2018/19.

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

<sup>4</sup> Investment being wound down. Small residual balance remaining.

<sup>5</sup> 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 to two decimal points.

# Our major holdings

CareSuper invests around \$16 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 2019 are set out in the tables below.

## AUSTRALIAN SHARES

Security	% of Asset Class	% of Balanced (MySuper) Option
BHP Group Ltd	6.58%	1.49%
Westpac Banking Corporation	6.20%	1.40%
Commonwealth Bank of Australia	5.79%	1.31%
National Australia Bank Ltd	5.04%	1.14%
CSL Ltd	3.12%	0.71%
Australian and New Zealand Banking Group Ltd	3.01%	0.68%
Origin Energy Ltd	2.56%	0.58%
Rio Tinto Ltd	2.12%	0.48%
Aristocrat Leisure Ltd	1.91%	0.43%
Macquarie Group Ltd	1.80%	0.41%
Telstra Corporation Ltd	1.63%	0.37%
Brambles Ltd	1.49%	0.34%
Wesfarmers Ltd	1.48%	0.33%
Santos Ltd	1.41%	0.32%
Alumina Ltd	1.40%	0.32%
Coles Group Ltd	1.39%	0.31%
Woolworths Group Ltd	1.39%	0.31%
Aurizon Holdings Ltd	1.38%	0.31%
Woodside Petroleum Ltd	1.30%	0.29%
Suncorp Group Ltd	1.29%	0.29%
<b>Total of asset class</b>	<b>52.29%</b>	<b>11.83%</b>

## OVERSEAS SHARES

Security	% of Asset Class	% of Balanced (MySuper) Option
Facebook Inc	1.98%	0.50%
Netease Inc	1.22%	0.31%
Samsung Electronics Company Ltd	1.18%	0.30%
Alphabet Inc	1.14%	0.29%
Alibaba Group	1.10%	0.28%
Nestle SA	1.02%	0.26%
Amazon.com Inc	1.01%	0.26%
Linde Plc	1.01%	0.26%
Comcast Corp	0.95%	0.24%
Medtronic Plc	0.94%	0.24%
Naspers Ltd	0.85%	0.22%
Tencent Holdings Ltd	0.81%	0.21%
Microsoft Corp	0.79%	0.20%
Accenture Plc	0.78%	0.20%
Roche Holding AG	0.76%	0.19%
Schneider Electric SE	0.76%	0.19%
LVMH Moet Hennessy Vuitton SE	0.76%	0.19%
Heineken NV	0.75%	0.19%
Thermo Fisher Scientific Inc	0.73%	0.19%
Visa Inc	0.73%	0.18%
<b>Total of asset class</b>	<b>19.27%</b>	<b>4.89%</b>

## PROPERTY

Location	% of assets class
NSW	45.32%
VIC	22.93%
WA	6.98%
QLD	20.18%
SA	2.10%
ACT	2.48%
International	0.00%
<b>Total</b>	<b>100.00%</b>
Sector	% of asset class
Retail	34.97%
Office	58.41%
Industrial	5.99%
Other	0.63%
<b>Total</b>	<b>100.00%</b>

## INFRASTRUCTURE

Location	% of assets
International	20.40%
NSW	26.20%
VIC	22.70%
QLD	7.20%
WA	11.50%
TAS	0.00%
NT	1.30%
SA	1.60%
ACT	2.30%
Cash	6.80%
<b>Total</b>	<b>100.00%</b>
Sector	% of assets
Airport	38.70%
Seaport	7.80%
Toll roads	2.20%
Rail	1.60%
Other Economic	3.40%
Regulated Utilities	20.50%
Social Infrastructure	11.50%
Other	7.40%
Cash	6.80%
<b>Total</b>	<b>100.00%</b>

## FIXED INTEREST

Government bonds / Cash			Non-government		
Australia	Overseas	Total	Australia	Overseas	Total
23.05%	26.65%	<b>49.70%</b>	30.53%	19.77%	<b>50.30%</b>
Credit rating					
AAA	AA	A	BBB	Below BBB	
38.78%	15.47%	20.58%	13.62%	11.38%	

# 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	\$16,763,306.32
Office expenses	\$2,385,780.64
Professional services	\$1,860,010.92
Member and employer services	\$2,596,536.24
Fund promotion	\$5,401,239.83
Government charges	\$1,260,691.02
Member and employer costs	\$12,950,809.34

Dated as at 30 June 2019.

## ANNUAL FINANCIAL STATEMENTS

The information below is a summary of CareSuper's financial statements for the last two years. Full financial statements and the auditor's report are available on our website at [caresuper.com.au/governance](http://caresuper.com.au/governance).

### Financial position as at 30 June 2019

	2019 \$'000	2018 \$'000
Investments	19,718,862	17,537,834
Cash and cash equivalents	45,955	62,731
Other assets	82,351	4,800
<b>Less:</b>		
Liabilities	3,534,661	2,785,076
<b>Net assets available for member benefits</b>	<b>16,312,507</b>	<b>14,820,289</b>
Less: Member benefits	16,146,940	14,651,061
<b>Net assets</b>	<b>165,567</b>	<b>169,228</b>
<b>Equity</b>		
General reserve	125,868	133,187
Operational risk reserve	39,699	36,041
<b>Total equity</b>	<b>165,567</b>	<b>169,228</b>

## Income statement for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Revenue</b>		
Investment income	1,107,716	1,460,146
Other income	1,217	4,547
<b>Total revenue</b>	<b>1,108,933</b>	<b>1,464,693</b>
<b>Expenses</b>		
Investments	67,754	36,802
Administration and operating	55,504	47,623
<b>Total expenses</b>	<b>123,258</b>	<b>84,425</b>
Income tax (expense)/benefit	17,396	108,710
<b>Results after income tax</b>	<b>968,279</b>	<b>1,271,558</b>
Less net benefits allocated to members	971,940	1,253,522
<b>Operating result after income tax</b>	<b>(3,661)</b>	<b>18,036</b>

## Changes in member benefits for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
<b>Opening balance of member benefits</b>	<b>14,651,061</b>	<b>12,896,855</b>
Add:		
Contributions	962,158	897,615
Transfers in	534,166	458,522
Net investment earnings	1,017,137	1,297,127
Insurance proceeds	82,464	82,485
Less:		
Benefits paid	861,404	755,261
Administration and other fees	45,198	43,605
Insurance premiums	87,216	85,562
Tax	106,228	97,115
<b>Closing balance of member benefits</b>	<b>16,146,940</b>	<b>14,651,061</b>

# 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 five days, we generally won't write to you unless you ask us to. Complaints can be made in writing, over the phone or electronically 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). 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 Australian Taxation Office (ATO) or to our eligible rollover fund, AUSfund. This happens around April and October each year. If your account is transferred, any insurance cover you have with CareSuper will end and you'll no longer be a member of CareSuper.

Different fees and costs apply to the eligible rollover fund, so please contact AUSfund for details.

### AUSfund

Locked bag 5132

Parramatta NSW 2124

Phone: 1300 361 798

International Tel: +61 3 9067 2525

Email: [admin@ausfund.net.au](mailto:admin@ausfund.net.au)

Website: [ausfund.com.au](http://ausfund.com.au)

To update your details or see the last payment to your super account login to MemberOnline at [caresuper.com.au/login](http://caresuper.com.au/login).

## IMPORTANT INSURANCE CHANGES

During the year, there were important changes to insurance in super including the government passing the Protecting Your Super (PYS) package in February. At the same time, we made changes to our insurance offering, designed to help ensure our default cover matches the typical needs of our members at every age and that it remains equitable, affordable and fair over the long term.

While making these changes, we aligned our new insurance offering with the government's PYS package (implemented 1 July 2019), and we were guided by the AIST Insurance in Superannuation Code of Practice (that we had already signed up to).

During the year, you would have received a letter or email from us (depending on your communications preferences) about our insurance changes.

Since the end of the 2018/19 financial year, the federal government has passed the Putting Members' Interests First package (with amendments in September 2019). The package includes changes to insurance through super for members under 25 and those with low account balances. The legislation requires super funds to notify affected members of changes to their insurance arrangement by 1 December 2019.

For more information on:

- Our insurance changes visit [caresuper.com.au/insurancechanges](http://caresuper.com.au/insurancechanges)
- The Protecting your Super package visit [caresuper.com.au/pysinsurancefaqs](http://caresuper.com.au/pysinsurancefaqs).

## TEMPORARY RESIDENTS

CareSuper is required to pay the super of former temporary residents to the Australian Taxation Office (ATO) if it's been more than six 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](http://ato.gov.au) for more information.



## Contact us

### HERE'S HOW TO GET IN TOUCH

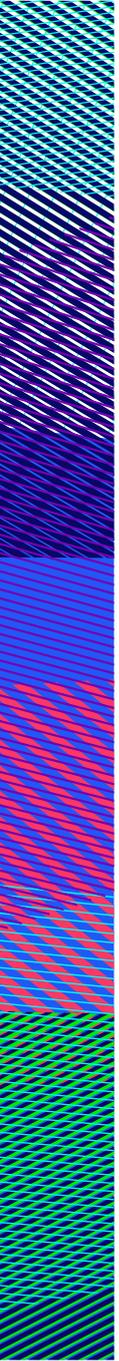
1300 360 149 (Australia)  
+61 3 9067 2619 (overseas)  
8am–8pm weekdays AET, except national public holidays

[caresuper.com.au/getintouch](http://caresuper.com.au/getintouch)

CareSuper  
Locked Bag 20019  
Melbourne, VIC 3001

### OUR REGISTERED ADDRESS

Level 18, 31 Queen Street,  
Melbourne VIC 3000



**1300 360 149 (Australia)**



**[caresuper.com.au/getintouch](https://caresuper.com.au/getintouch)**



**[caresuper.com.au](https://caresuper.com.au)**



**CareSuper, Locked Bag 20019  
Melbourne, VIC 3001**

**CARE Super Pty Ltd (Trustee)**  
ABN 91 006 670 060 AFSL 235226

**CARE Super (Fund)**  
ABN 98 172 275 725