May 2020

ON THE MONEY

When times are uncertain, I know I can feel certain about my super fund.

CareSuper

An Industry SuperFund

A word from our CEO.

This edition of 'On the Money' is unique in many ways. We are in unprecedented times. Navigating a global pandemic wasn't something any of us had in mind when we celebrated the beginning of 2020. But here we are, and we're adapting to ensure we get through this challenge together.

Our priority is of course you – our members – and your retirement savings. We've been working hard over the last few months to ensure you're fully supported during the coronavirus crisis. The dedicated information hub on our website is updated regularly with news and changes regarding COVID-19 measures and your super. For the latest updates visit **caresuper.com.au/covid19**.

We understand that many of our members are doing it tough right now. In this edition, we offer some financial strategies and budgeting tips to help you through the coming months. We also provide details about the government's temporary change to early release of super and who is eligible, on page 3. We have an update on our investments and include some tips on finding the right investment option for you. On page 8, we've included some common signs of scams to watch out for and on page 9 we have some good news to share about being certified carbon neutral.

This month we also celebrated Mother's Day. For the last 12 years, we've supported the Mother's Day Classic – a fun run or walk that raises money for breast cancer research. We're proud to have supported this worthy cause again this year as a National Silver sponsor and together with the CareSuper team we raised over $18,000.

We thank you for trusting us with your retirement savings and hope that you stay well.

Julie

Julie Lander
CareSuper CEO

All about early release of super.

The COVID-19 crisis continues to affect us in many ways — particularly our finances. If you've recently lost your job, been stood down or had your work hours reduced, you might be considering withdrawing some of your super early through the government's temporary change to accessing super. Here's what you need to consider before you decide to go ahead.

CHECK IF YOU'RE ELIGIBLE

To apply for early release of your super, one or more of the eligibility criteria below needs to apply to you:

- You're unemployed
- You're eligible to receive a JobSeeker payment, Youth Allowance for job seekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance
- On or after 1 January 2020: you were made redundant, or your working hours were reduced by 20 per cent or more, or if you are a sole trader — your business was suspended, or there was a reduction in your turnover of 20 per cent or more.

WEIGHING IT ALL UP

Consider all your options and work out what's best for you, not just for today, but the future too.

If you're 25 years old you could lose up to $95,696* in super savings by the time you retire, if you withdraw $20,000 now. Why? Because your $20,000 invested in super will grow over time, but if you take it out now, you'll miss out on the compound interest and long-term growth. If you're 35, it could be $65,868* you miss out on by the time you're 67. The table below shows the impact on your retirement savings depending on your age now.

THE DIFFERENCE $20,000 CAN MAKE TO YOUR RETIREMENT

Age	Starting balance	Super taken	Difference at retirement
25	$20,000	$20,000	-$95,696
30	$40,000	$20,000	-$79,393
35	$60,000	$20,000	-$65,868
40	$79,000	$20,000	-$54,647
45	$95,000	$20,000	-$45,338
50	$109,000	$20,000	-$37,614

While this table highlights the difference $20,000 could make to your retirement, we also realise how big a difference it could make to your life right now. We support this government initiative in these unprecedented circumstances and encourage you to make an informed decision. Only you can decide what's right for you right now.

Source: industrysuper.com/super-to-help/accessing-your-super-now/ Accessed 06/05/20.

*Scenarios modelled by ISA Pty Ltd. See assumptions at industrysuper.com/assumptions/.

^Financial advice obtained over the phone, or through MemberOnline, is provided by Mercer Financial Advice (Australia) Pty Ltd (MFAAPL) ABN 76 153 168 293, Australian Financial Services Licence #411766.

KEY FACTS ABOUT THE EARLY RELEASE OF SUPER CHANGE

- If you're eligible you can withdraw up to $20,000 from your super ($10,000 this financial year and another $10,000 in 2020/21).
- Applications can be made for this financial year and from 1 July 2020 until 24 September 2020 for the next financial year.
- Applications must be made through your myGov account.
- The ATO will advise us if your application is successful within four business days. We will then transfer your payment to the bank account you've nominated through myGov as soon as possible.
- Payments are tax-free and won't affect Centrelink or Veterans' Affairs payments.
- You can find the latest information about early release of super on our website at **caresuper.com.au/earlyrelease**.

WE'RE HERE FOR YOU

We offer expert advice over the phone as part of your CareSuper membership.^ Book a call back from one of our advisers at **caresuper.com.au/advice**.

Investment update

KEEPING YOU INFORMED.

Suzanne Branton
Chief Investment Officer

The COVID-19 pandemic had a significant impact on financial markets late into the March 2020 quarter. There has been a high level of volatility, mostly due to social distancing measures leading to business closures, restrictions on travel and declining trade.

HOW WE'RE PROTECTING YOUR INVESTMENTS

We continue to monitor our portfolio and markets closely, assessing the outlook and managing our investment strategy. Our approach remains focused on controlling risk as well as taking advantage of opportunities as they arise.

Importantly, our investment philosophy, which guides the way we invest your money, prepares us for situations like the COVID-19 pandemic. It's designed to:

- Focus on the long term
- Actively invest for growth but also protect against downside risk
- Diversify our investments to manage risks.

In volatile times it's even more important to stick to our investment strategy. We've applied our approach through many market cycles and past downturns, and it's been key to our track record of strong long-term returns.* You can see how we've performed at **caresuper.com.au/performance**.

WHAT MARKET VOLATILITY MEANS FOR YOUR SUPER

In times of volatility, it's important to remember that super is a long-term investment and market ups and downs are normal. It's not unusual to see market cycles include periods of strong returns followed by periods of more moderate, and sometimes, negative returns.

As with any long-term investment, how market volatility affects your super largely depends on which investment options you're invested in and when you intend to access your super.

Most investment options are likely to be affected in the short-term in some way. Generally, those options with a higher allocation to shares will be more adversely affected than those with lower allocations, just as these options benefited from continuously rising share markets over the last 10 years.

Keep in mind our Managed options — including the Balanced (MySuper) option (where most of our members are invested) — are well-diversified across different asset classes. Diversification means there are several sources of return — not just shares. You can view the asset allocations for each of our investment options online at **caresuper.com.au/investmentoptions**. Be sure to also read our article on page 10 for tips on deciding which option is right for you.

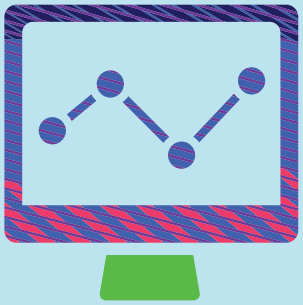
Our investment philosophy, which guides the way we invest your money, prepares us and positions us well for situations like the COVID-19 pandemic.

KEEPING YOU INFORMED

While it's too soon to confidently predict the full impact on the Australian and global economies, it's reasonable to expect a decrease in global growth over coming months.

For up-to-date commentary on how we're managing your super investments throughout the COVID-19 pandemic, head to our website at **caresuper.com.au/covid19**.

IN TIMES OF VOLATILITY, IT'S IMPORTANT TO REMEMBER THAT SUPER IS A LONG-TERM INVESTMENT AND MARKET UPS AND DOWNS ARE NORMAL.



HERE'S HOW CARESUPER PERFORMED TO MARCH 2020

RETURNS FOR SUPER MEMBERS (ACCUMULATION) TO 31 MARCH 2020*

Managed option	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Balanced	**-1.99%**	**4.24%**	**5.25%**	**7.60%**	**7.43%**
Growth	-3.60%	4.10%	5.16%	8.17%	7.66%
Alternative Growth	-3.05%	3.55%	5.12%	7.31%	7.28%
Sustainable Balanced	-0.63%	4.77%	5.09%	7.47%	7.11%
Conservative Balanced	-2.31%	2.86%	3.67%	5.62%	6.00%
Capital Stable	-0.99%	2.80%	3.43%	4.87%	5.46%
Capital Guaranteed	1.86%	1.77%	1.92%	1.95%	2.07%
Asset class option	**1 yr**	**3 yrs (p.a.)**	**5 yrs (p.a.)**	**7 yrs (p.a.)**	**10 yrs (p.a.)**
Overseas Shares	-2.01%	5.91%	6.01%	11.37%	9.60%
Australian Shares	-12.42%	0.34%	2.32%	5.42%	5.49%
Direct Property	1.70%	7.67%	9.76%	9.48%	8.81%
Fixed Interest	2.55%	2.92%	2.56%	3.46%	5.16%
Cash	1.43%	1.78%	2.00%	2.26%	2.82%

RETURNS FOR PENSION MEMBERS TO 31 MARCH 2020*

Managed option	1 yr	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Balanced	**-3.26%**	**4.10%**	**5.43%**	**8.11%**	**8.11%**
Growth	-4.92%	3.93%	5.46%	8.74%	8.37%
Alternative Growth	-4.24%	3.48%	5.38%	7.70%	7.89%
Sustainable Balanced	-1.29%	5.05%	5.44%	8.16%	7.94%
Conservative Balanced	-3.27%	2.87%	3.95%	6.14%	6.67%
Capital Stable	-1.54%	2.89%	3.70%	5.38%	6.09%
Capital Guaranteed	2.23%	2.13%	2.28%	2.29%	2.32%
Asset class option	**1 yr**	**3 yrs (p.a.)**	**5 yrs (p.a.)**	**7 yrs (p.a.)**	**10 yrs (p.a.)**
Overseas Shares	-2.10%	6.88%	6.91%	12.62%	10.78%
Australian Shares	-14.25%	0.14%	2.42%	6.07%	6.13%
Direct Property	1.88%	8.27%	10.83%	10.58%	9.90%
Fixed Interest	2.88%	3.48%	2.99%	4.02%	5.94%
Cash	1.67%	2.11%	2.31%	2.62%	3.31%

The long-term returns shown in these tables may differ from your actual returns. The returns shown are compound average annual returns (after fees and indirect costs and tax) and have been rounded to two decimal places. All net investment returns are reflected in the sell price of each investment option.

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

My mum always said I should save for a rainy day.

Thankfully I listened.

Even if you've saved for a rainy day, a sudden change to your once-dependable income can wreak havoc on your wellbeing. Discover five steps to put you, and your finances, back on track.

1. DETERMINE YOUR ESSENTIALS

The first step to taking care of your finances is to determine what it costs, essentially, to be you.

Start by looking at your bank statements or online spending accounts for the last few months. This will give you a good indication of your quarterly 'essential' costs (especially as non-essential services like restaurants have been closed). Think about the 'need-to-haves', not the 'nice-to-haves'.

This will look slightly different for everyone, but it's important to have a clear picture of your day-to-day needs. You might find they're less than usual and you might not need to replace your full pre-COVID income. For instance, if your unemployment is temporary, you only need to replace enough to cover your expenses during this 'essentials only' couple of months. Remember to factor in heating costs, which may be more expensive over winter. Also, identify any savings you can make while at home or unable to go to work — e.g. transport costs, petrol, entertainment. Before you order UberEats, consider if you could make a simple meal at home instead. Or maybe you could start making your own morning coffee instead of buying it at a cafe — the little savings can really add up.

2. PAYING FOR YOUR EXPENSES

Even if you reduce your living costs and cut out non-essential spending you might still have trouble paying your fixed expenses.

For larger expenses, like utilities or insurances, get in touch with your provider to discuss your options. Many utility retailers and insurance providers are offering support programs; you may be able to delay your bill or pay it off in smaller sums.

If you're unemployed you might also be able to reduce your mortgage repayments, pay interest only or pause repayments for up to six months. You'll need to talk to your bank, and in most cases, you'll still be accruing interest, so consider this option carefully. If you're struggling to pay rent due to the impact of coronavirus you could also try negotiating through your agent to defer or lower your rent.

3. BOOST YOUR INCOME

If your regular income has reduced or stopped altogether, consider whether you could get a bit of a side hustle going. Can you sell some clothes or other items that you no longer need, or turn a hobby, like crafts or cooking, into something profitable?

You may also be eligible to boost or replace your income through government support programs.

JobSeeker, JobKeeper, family tax benefit and parenting payments of up to $1500 a fortnight are currently available. Head to **ato.gov.au** or **servicesaustralia.gov.au** to understand whether you're eligible and how to apply.

There's also the government's temporary change to super access, which could allow you to withdraw some of your super now. (There's a bit to consider, so be sure to read our article on page 3 before you apply.)

4. PREPARE A PLAN

Now you know how much you have to work with, it's time to create a plan.

List all your expenses and work out exactly how much you need each fortnight. Your list doesn't need to be a fancy excel spreadsheet, just a simple pen-to-paper list if that's easier. Stick your plan to your fridge to keep yourself accountable.

Remember, the COVID-19 pandemic won't last forever, and your financial circumstances may keep changing, so it's important to keep reviewing your financial plan to make sure it's working for your current situation. You never know — you might find yourself keeping these savvy financial habits in the future!

5. ASK FOR HELP

Fortunately, when it comes to decisions about your finances, you don't have to fly solo.

If you've found yourself in financial debt and it's affecting your wellbeing, take a look the useful resources at **superfriend.com.au/covid-19-support**. Also consider calling the with National Debt Hotline for free counselling. Visit **ndh.org.au** to get in touch.

And remember, we're here to help you navigate your financial situation, no matter how difficult it seems. We offer expert advice over the phone as part of your CareSuper membership.^ Book a call back at from one of our advisers at **caresuper.com.au/advice**.

MAKE A LIST OF ALL YOUR EXPENSES AND WORK OUT EXACTLY HOW MUCH YOU NEED EACH FORTNIGHT... JUST A SIMPLE PEN-TO-PAPER LIST IS FINE.

Visit **caresuper.com.au/advice** to learn more.

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Online scams are often changing.

Lucky we're always watching.

Wondering how you can protect yourself? Start by learning to spot the common signs of a scam.

COVID-19 SCAMS

Beware of Covid-19 related scams. With the government allowing early release of superannuation to those experiencing financial hardship, scammers are looking at ways to take advantage of this situation.

RED FLAGS TO WATCH OUT FOR:

- **Cold calls.** Scammers are making cold-calls claiming to work for an organisation that can help you access your super early. Instead of helping you to apply, the scammers are after your personal details. You don't need to pay any fees or apply through a third party for early release of your super.
- **Links to myGov.** Often scammers will send SMS and email messages claiming to be myGov with a link to the myGov website. myGov will never send you an email or SMS with a link in it. Check whether a message is legitimate before clicking on any links and rest assured, myGov will never contact you and ask for any of your log-in details via phone, email or SMS.

PHISHING SCAMS

These are tricky to spot because you'll usually be contacted (via text, email or a phone call) by what looks like a legitimate business. The scammer will ask you to verify info about yourself like your name, date of birth and credit card details — and they'll usually give you a legitimate-sounding reason. For example, they might pretend to be your bank and tell you there's a problem with your account — but they need your log-in details to fix it.

RED FLAGS TO WATCH OUT FOR:

- **Malicious links.** Often phishing scams try to take you to a third-party website to collect your information, so if in doubt, it's best to give the company a call and check the website is legitimate before providing any personal details. (If you haven't dealt with the company before, be extra cautious!)
- **Unusual URLs.** Malicious websites are usually (not always) unsecured websites that start with http, not https, so make sure you have a quick look at the URL before proceeding on websites that ask for your personal information.

WE TAKE CARE OF YOUR PERSONAL INFO

At CareSuper, we have specialist compliance officers, as well as strict policies and procedures, to protect your privacy and make sure your personal details don't get into the wrong hands.

It's still important to keep your password secure and change it periodically (you can do this in MemberOnline), and also log off when you've finished accessing your online account.

You can keep up to date with the latest scam warnings on the government's Scamwatch website at **scamwatch.gov.au/news**.

If you have any questions about how we protect your privacy and keep your details secure, check out our privacy policy online at **caresuper.com.au/privacy**.

WHAT TO DO IF YOU THINK YOU'VE BEEN SCAMMED

If any of this sounds familiar, and you think you've been scammed, act immediately:

- If you've given money or payment details to scammers, call your bank as soon as possible.
- If you've given personal information, go to **idcare.org**.
- If you've given log-in details, change or reset your password on the legitimate website.

Good news

You're with a carbon neutral fund

Climate Active Carbon Neutral

We're proud to be one of the first super funds to be certified Carbon Neutral by the Australian Government through Climate Active – Australia's collective initiative for climate action.

COMMITTED TO SUSTAINABILITY

We're always working hard to make a positive difference to our members' lives by helping to set them up for a better future. An important part of this is ensuring we're a sustainable fund. We've met the requirements for the **Climate Active Carbon Neutral Standard for Organisations**.

Achieving this certification is recognition of our commitment to corporate social responsibility and sustainability and ongoing efforts over the past few years. It's the most rigorous and credible carbon neutral certification in Australia.

WHAT IT MEANS TO BE CARBON NEUTRAL

Being carbon neutral means we have reduced our operational carbon footprint to zero by removing as much carbon from the atmosphere as we put into it.

To reduce our emissions, we've implemented sustainability and carbon neutral initiatives across our day-to-day business operations including improving energy efficiencies in our office and recycling and waste management.

To remove emissions, we invest in global carbon offset projects including renewable energy like wind farms and regeneration projects. In addition to providing carbon offset, these projects provide co-benefits, such as improving biodiversity in Australia, creating jobs and improving access to education for girls in developing countries. This is in line with the United Nations Sustainable Development Goals.

JOINING FORCES FOR A BETTER TOMORROW

Being certified Carbon Neutral means we're part of the Climate Active Network, a group of progressive organisations leading action on climate change.

By becoming carbon neutral we're making an important contribution towards a low carbon future. Carbon neutrality is part of our overall approach to corporate social responsibility. We're also a signatory to other industry-leading initiatives such as Climate Action 100+, which tackles climate change on a global level.

Read more about our corporate responsibility activities at **caresuper.com.au/csr**.

I'll never be the cookie-cutter type.

Like most important decisions in life, there's no one-size-fits-all when it comes to choosing how to invest your super.

While most members are invested in our Balanced option (a diversified option that's delivered strong long-term returns), you can choose to invest in one or a combination of our 13 different investment options.

If you're worried about your balance fluctuating a lot right now, it's important to realise that you haven't lost anything unless you switch your investment (which is called 'crystallising a loss'). Despite short-term fluctuations, it's important to weigh up your attitude towards risk against potential long-term growth. We know nobody likes to see their account balance go backwards, and it's tempting to change your investments when conditions are uncertain. But there are a few things to consider.

Here are some tips and examples to help you find the right fit to suit your needs.

TIP 1. WORK OUT YOUR TIMEFRAME

How long until you start spending your super? Your investment timeframe can be a big factor when it comes to choosing an investment option that's right for you. As a very general rule, the longer your super is going to be invested, the more risk you may be able to take. On the other hand, if you're planning to withdraw super soon, you might consider a lower risk approach.

TIP 2. DECIDE HOW MUCH RISK YOU'RE COMFORTABLE WITH

Once you've worked out your timeframe, consider how much risk you're prepared to take on. In general, higher risk options tend to have higher return targets over long-term periods, but they're also more likely to underperform in market downturns. It's important to choose a balance between risk and return that sits right with your timeframe and future goals.

TIP 3. DETERMINE YOUR FUTURE SPENDING GOALS

Think about how much you'll spend each year when you finish work. (Keep in mind, with inflation, things might cost more than they do now.) If super's going to be your main source of income, how much will it need to grow from contributions and investment returns? Each of our investment options have different return targets, so it's worth having a goal in mind when you're looking at your choices.

For more info about your choices, visit **caresuper.com.au/investmentoptions**.

Now, let's look at some examples

These are general examples. You need to consider your own circumstances, keeping in mind that these examples haven't considered the impact of significant volatility in investment markets.

Meet Peter.

He's a 32-year-old IT specialist with $22,000 in his CareSuper account.

Peter has always been invested in the Balanced option, which is the 'default' option for CareSuper members who join through their employer.

Recently, Peter reviewed his super investments and realised he probably had at least another 30 years to ride the ups and downs of a higher risk investment option. Deciding his goal was to achieve the highest returns possible for his super, and he was comfortable with market fluctuations, Peter switched from the Balanced option to the Growth option.

Meet Priya.

She's 60 and is a HR Consultant, with $120,000 in her CareSuper account.

Priya's planning on selling her business and downsizing to an apartment by the beach next year, and to pay for the deposit, she wants to withdraw her super as a lump sum. Not wanting to take too much short-term risk with her savings, she decides to switch from the Balanced option to the Cash option.

Investing in a low-risk option gives Priya peace of mind, even if there's a market downturn.

Meet Lee.

She's a 45-year-old teacher with $63,000 in her CareSuper account.

Lee's always been invested in the Balanced option, but following a recent market downturn, she decided to examine her super investments. Lee's goal was to achieve relatively strong returns over the next 15 to 20 years, but she wanted her super to be invested across several different types of assets to protect her balance as much as possible. After reviewing its return target, asset allocations and risk level, Lee decided to stick with the Balanced option.

Meet Jack.

He's 56, a lawyer and has $600,000 in his CareSuper account.

Jack is planning to retire soon, but instead of withdrawing his super as a lump sum, he wants to reinvest it in a CareSuper Pension that will continue to earn returns over the next 25 years or more. Jack decides to invest his super in the Conservative Balanced option, since he believes this option will help his super keep pace with inflation and perform well enough to help his balance grow over the long term.

WE'LL HELP YOU FIND YOUR PERFECT FIT

As you can see, there's plenty of choice when it comes to investing your super, and the perfect fit is different for everyone.

It's important to get advice before you switch. That's why we offer expert advice over the phone as part of your CareSuper membership.* Book a call back from one of our advisers at **caresuper.com.au/advice.**

For more about switching investments, how to get started and what else to consider, visit **caresuper.com.au/investmentswitch**.

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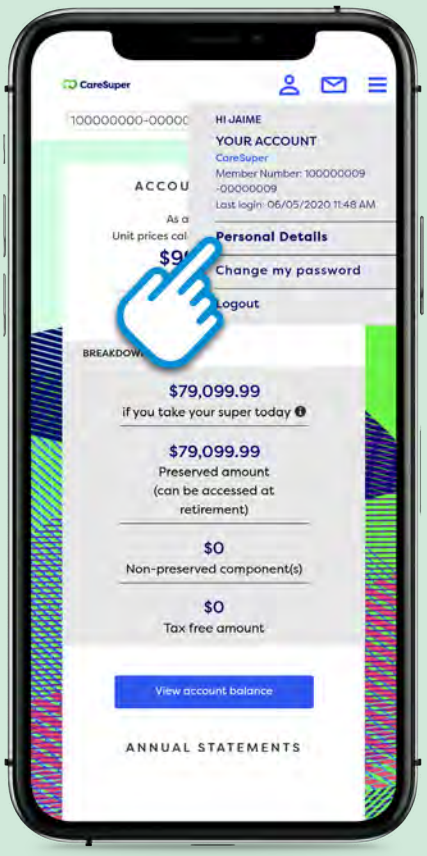
A lot of things are different.

Let us know if your contact details are too.

Checking and updating your details is easy to do online.



Log in to your account anytime.

Using the **CareSuper app** at **caresuper.com.au/login**.

CareSuper's app is available to download on the App Store and Google™ Play.

Get in touch

Call 1300 360 149

Visit caresuper.com.au

Contact caresuper.com.au/getintouch

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CARE Super Pty Ltd (Trustee)
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CARE Super (Fund) ABN 98 172 275 725

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