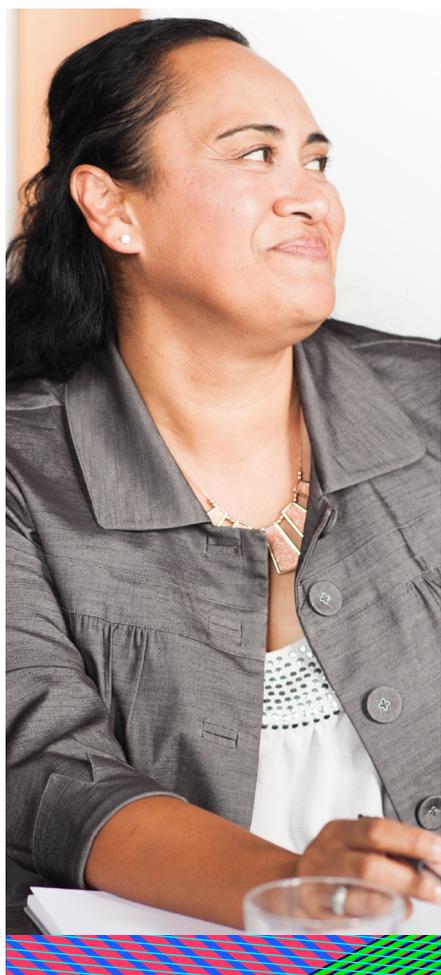


Our year in review

Annual Report 2020



Bode
Member since 2016



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 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 or call 1300 360 149.

Our year at a glance

Year to 30 June 2020

We manage

\$16.22 billion

in total assets



More than

230k

members, year-on-year growth in active members

55k

employers pay super contributions to CareSuper



Paid

\$312.7m

in retirement benefits + cash payments



Paid

527

insurance claims (92.8% of all claims)



Totalling

\$95m

Over

63.7k

unique visits to our COVID-19 web info



Rated

A+

for our responsible investment practices*

2,542

members accessed financial advice, up 85% on last year



Our Client partnerships team interacted with

3,358

members and employers



Rated super fund with most satisfied members**



240k

calls and emails received, up 32% on last year.

25,311

COVID-19 early release payments made



Satisfied with CareSuper:

Super members

87%



Pension members

95%

Members satisfied after speaking to a financial planner:

83%

*Principles for Responsible Investment (PRI) Report, 2020

**Superannuation Satisfaction Report, February 2020, Roy Morgan



From the Chief Executive Officer

This year has certainly been one we won't soon forget.

It has been an extremely challenging year on many fronts and all at CareSuper empathise with our members and employers who have been directly affected by the health, economic or environmental impacts from the serious fires over the summer or the COVID-19 pandemic. During this time our Board, employees and service providers have remained determined and dedicated to act in our members' best interests.

A PROVEN LONG-TERM, TRUSTED PERFORMER

We achieved a positive return of 0.22% for the Balanced (MySuper) option to 30 June this year, pleasingly outperforming the median return of -0.82%.* This was amid the uncertainty that has confronted us due to the COVID-19 pandemic, causing extreme share market volatility coupled with impacts on valuations of property, infrastructure and other assets. It's a testament to our active investment strategy that aims to take advantage of market strength while protecting capital in volatile times. The result? More consistent returns over the medium to long term through different economic and market cycles. Our Balanced option (for both super and pension members) was a top performer over the last 5, 7, 10 and 15 years* and we were again ranked the top fund over 20 years according to independent agency SuperRatings, having returned an average 7.48% per year over that time.**

ACTIVITY AND BACKDROP

Our key priority this year has been to support our members and employers, and through this I've been proud of the way the CareSuper team has demonstrated its ability to be agile and pivot quickly when faced with changing circumstances. We assisted those affected by the devastating bushfires, and ensured we were well positioned to deliver on the Federal Government's COVID-19 early release of super scheme. We met the

increased demand for financial advice in response to share market volatility and the pandemic broadly, launched the COVID-19 Hub and early release of super website resources to keep members informed, remained committed to regularly engaging with our employers, and transitioned our events program to a virtual delivery platform. This year we also became one of the first super funds to be certified Carbon Neutral by the Australian Government through Climate Active.

We're committed to providing high quality products for our members and are consistently ranked by ratings agencies and research companies as a top performer with lower than average fees and superior features and services. We introduced a new age-based insurance design that helps us deliver valuable cover appropriate for members at different ages, and realised savings in our investment fees. We've also invested time developing our operating rhythms with Mercer, our administrator, and strengthening the services that Mercer delivers for our members.

LEGISLATIVE CHANGE

There's been a lot of legislative change to deliver. Some of the most significant include the early release of superannuation scheme – requiring new systems and processes to facilitate payments under the government's pandemic provisions, and the Protecting Your Super (PYS) and Putting Members' Interest First (PMIF) legislative changes. The PYS and PMIF laws require us to transfer inactive low-balance accounts to the Australian Taxation Office (ATO), cancel insurance for inactive members, and limit automatic insurance cover to members who are at least age 25 and have an account balance that's reached \$6,000. Members can individually choose to override these automatic settings.

Other legislative changes included a temporary reduction in the pension drawdown amounts to enable pension

members to keep more of their balance invested in the fund if they choose to, the extension of the work test, and an increase to the age limit that spouses can receive contributions. We've also been embedding the Insurance in Superannuation Code of Practice, which aims to streamline the insurance process for members by ensuring we're aligned to best practice standards.

Plenty more changes are on the horizon too, including how super funds disclose fees and handle complaints, the Federal Government's Budget announcements made in October 2020 and the likely introduction of retirement income products following the government's independent review of the retirement income system.

LOOKING FORWARD - WHEN TIMES ARE UNCERTAIN, YOU CAN FEEL CERTAIN ABOUT YOUR SUPER FUND

As an Industry SuperFund, we're run only to benefit our members. We're driven by our sole purpose to improve members' retirement outcomes. While challenges lie ahead and the future may seem uncertain, our absolute priority is our members. Whether you're at the start of your career, in your middle years or looking forward to or living your post-work lifestyle, you can rest assured that our focus is on enabling you to achieve the best outcomes by adapting to the environment and your needs. Whatever the future holds – your super's in safe hands.

Julie Lander
CareSuper Chief Executive Officer

* SuperRatings Fund Crediting Rate survey SR50 Balanced (60-76) Index - June 2020.

** SuperRatings Fund Crediting Rate survey SR50 Balanced (60-76) Index - June 2020 and SuperRatings Pension Fund Crediting Rate Survey - SRP50 Balanced (60-76) Index - June 2020.



From the Chair

CareSuper was established with a clear purpose in mind – to ensure our professionally minded members can achieve their financial goals and desired lifestyle in retirement.

On behalf of the Board, I'd like to thank the Executive team and all our employees for demonstrating agility and persistence throughout this exceptional year. We've responded quickly and effectively to support our members and employers during one of the most challenging periods ever faced, and I'm proud of the way we've managed to achieve strong investment performance results in context of challenging market conditions.

KEY LEGISLATIVE EVENTS AND SUPER INDUSTRY DISCUSSION

There's been a lot happening in the super industry, both as a response to the COVID-19 pandemic and the government's policy agenda.

Arguably the most significant piece of legislation to be delivered this year was the Federal Government's early release scheme in response to COVID-19. It was important that we played our part to support members accessing their super when their regular income had been severely reduced or had ceased completely. However, the primary purpose of superannuation is to provide a secure and dignified retirement for Australians, and it's our role to ensure we do everything we can to help our members achieve that. Preservation of superannuation is central to the efficacy of the system and to deliver long-term outcomes, therefore, we express concern at any suggestion that this principle be threatened.

There's also been debate throughout the year around potentially delaying the legislated super guarantee (SG) increase to 10 percent in 2021 and gradually to 12 per cent by 2025. We believe that in these times of uncertainty, Australians' trust in superannuation needs to be

strengthened, and that the legislated increases should be honoured to secure sustainable income in retirement. Finally, the government has recently released the Retirement Income Review. It confirmed that the Australian retirement income system is effective, sound and that the costs are broadly sustainable.

We've also seen increased merger activity between super funds over the past year. This is something we too will look to pursue if we believe a merger would be in our members' interests and help us achieve greater scale and efficiency. However, we must stay true to our values and the needs of CareSuper members and will balance these considerations when reviewing any opportunities.

Looking forward, we await clear government policies to enable us as a super fund to do what we do best – actively and responsibly invest for the long term, offering cost-effective financial advice to help members achieve their future goals, and providing relevant and valuable insurance cover to enable members to protect what matters most to them.

BOARD CHANGES

On behalf of the Board, I'd like to thank Julie Bignell and Claire Keating who both resigned as directors in December 2019. I appreciate the contributions both Claire and Julie made to CareSuper during their years of service and admired their commitment to the Fund's purpose and strategic direction during this time. In their place we were delighted to welcome Tony Cavanagh and Merran Kelsall to the Board, both having deep experience in superannuation and governance from their prior roles in the superannuation and accounting sectors. I also mention Linda

Scott's appointment to the position of Deputy Chair and Chair of the Governance and Remuneration Committee. We are fortunate to have individuals of this calibre and experience on the Board to serve our members.

THE YEAR AHEAD

CareSuper has a strong 30 plus-year history and we're honoured to manage over \$16 billion retirement savings of more than 230,000 members. There's no doubt there are significant headwinds facing the economy – however I and the Board are confident that the Fund's strategy, profit-to-member ethos and active investment management approach position us well to deliver a bright future for our members. Lastly, I'd like to thank our employers who have chosen us as their default super fund, and above all our members who have entrusted us to manage their retirement savings and ultimately make a difference to their lives.

Terry Wetherall AM
CareSuper Chair

Who we are

PROFIT FOR MEMBERS

We are proud to be a leading profit-to-member super fund. We don't have shareholders who expect an investment return. This enables us to focus solely on members' interests.

HIGH PERFORMING

We have decades of expertise in smart, proactive investing. We're one of Australia's best performing super funds, with our Balanced option delivering the number one return over 20 years.*

FOR THE PROFESSIONALLY MINDED

We're the largest and most diverse industry fund for aspirational people across multiple occupations and sectors. Our members and employers value our focus on high performance, simplicity, quality and the personal connections that our size enables us to offer them. But we know these attributes appeal to people from all walks of life, so we welcome anyone looking for a fund that embraces these qualities and a 'profit-to-member' ethos to join CareSuper.

A 30+ YEAR HERITAGE

We've been helping our members achieve their post-work financial goals for more than 30 years. Established in 1986 to manage superannuation for office-based employees, today CareSuper continues to evolve and diversify, but our purpose and focus on our members remains as it always was.

SUPPORTING MEMBERS' CHOICES

We're driven by a clear and genuine purpose: to help our members achieve their financial goals by protecting and enhancing their future lifestyles. Our members span generations, with different careers, life journeys and plans. We respect individuality by focusing on choice and giving members access to advice and education opportunities to help them make informed decisions that align to the future lifestyle they aspire to achieve.

OUR VALUES

SPiRiT is the backbone of CareSuper – it defines the values we believe in and informs how we work together to improve the future lives of our members.

SPiRiT stands for service, professionalism, integrity, relationships, innovation and teamwork.

*SuperRatings Fund Crediting Rate survey SR50 Balanced (60-76) Index - June 2020 and SuperRatings Pension Fund Crediting Rate Survey - SRP50 Balanced (60-76) Index - June 2020.



We're an industry SuperFund

The trademarks of industry super

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

- We are run only to benefit our members. We don't pay dividends to shareholders, and aside from the costs of managing the Fund, profits are shared with members through net investment returns
- We have a history of keeping fees and costs competitive to provide value. But not at the expense of the return on your super balance
- Our financial planners work in your best interests and are paid a salary, they don't receive commissions
- Our investment philosophy and insurance design reflect the needs of our members in professional, managerial, administrative and service roles across all industries
- We have an equal number of employer and member representatives on our Board.

See more on Industry SuperFunds at caresuper.com.au/industry-super-fund.

Our awards

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



HERON PARTNERSHIP 5-STAR RATING 2020

A 5-star '2020 Quality Star Rating' has been awarded to our Pension Product, Personal Plan, Employee Plan and MySuper investment option. A 5-star rating is defined as 'outstanding' by Heron and is their highest rating.



CHANT WEST 5 APPLES SUPER AND PENSION 2020

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



SUPERRATINGS 15-YEAR PLATINUM RATING 2020

Our super product has received a SuperRatings Platinum rating every year from 2005 to 2020.



SUPERRATINGS PLATINUM RATING 2020

This is the highest possible rating offered by SuperRatings.



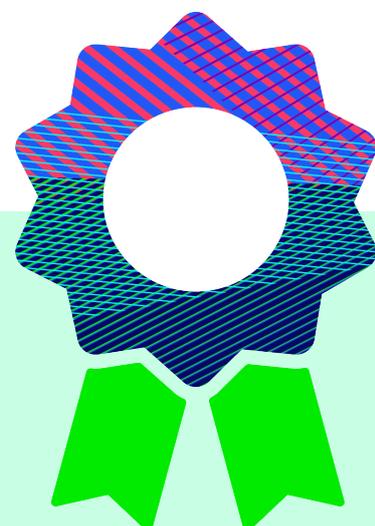
INFINITY RECOGNISED 2020

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



AIST BEST INTERNAL COMMUNICATIONS CAMPAIGN

This award recognised excellence for our national staff conference.



FOR MORE INFORMATION ON ALL OUR AWARDS

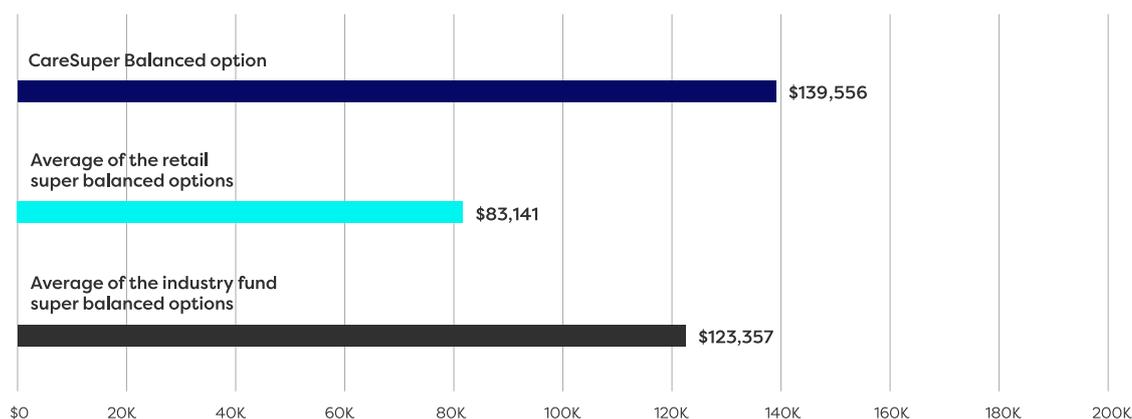
Visit caresuper.com.au/awards

Net benefit for members

As a profit-to-member super fund, we only charge fees to cover the costs of running CareSuper.

While we work hard to keep our costs low, we're driven by providing quality services, relevant choices and investing actively to deliver 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 2020, our Balanced option returned over \$56,000 more than the average of all surveyed retail funds and outperformed the average of all surveyed industry funds by over \$16,000.



Past performance is not a reliable indicator of future performance. Comparisons modelled by SuperRatings as at 30 June 2020, 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 funds with a 15-year performance history. Outcomes vary between funds. See caresuper.com.au/assumptions for more details about modelling calculations and assumptions. This information is general advice only. You should consider your investment objectives, financial situation and needs and read the product disclosure statement before making an investment decision.

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.

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

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

See a full list of our investment managers on [page 40](#).

SERVICE PROVIDERS

Here's a list of our significant service providers.

ADMINISTRATION*

Mercer Outsourcing (Australia) Pty Ltd

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 40](#).

LEGAL ADVISERS (MELBOURNE)

Greenfields Financial Services

LAWYER

Hall & Wilcox Lawyers
Holding Redlich
Allens

TAX ADVISER

Deloitte Tax Services Pty Ltd

*Indicates a material outsourced provider

Our workplace

Our business strategy

As a profit-to-members super fund, our purpose is to maximise secure and sustainable retirement funds for our members to improve their post-work lifestyles.

To ensure we achieve our aspirational position of being recognised as a leading fund delivering quality service, superior outcomes and advanced product features to meet the needs of aspirational people for their whole lives, our leadership team comes together every year to review our business strategy and plan. As part of this review, we ensure it reflects the environment in which we operate, maintains a long-term view, and is well-positioned to deliver strong value for members and employers.

HOW WE'VE DELIVERED VALUE

We put members at the centre of everything we do



Informing, educating and helping members with advice to make informed decisions leading to better retirement outcomes.



Operating efficiently and effectively to manage costs, including with outsourced providers.



Actively seeking growth to enhance sustainability of the fund and delivering benefits of scale to members.



Achieving superior long term performance by investing actively and responsibly and returning profits to members.



Protecting members and their families with relevant insurance cover.



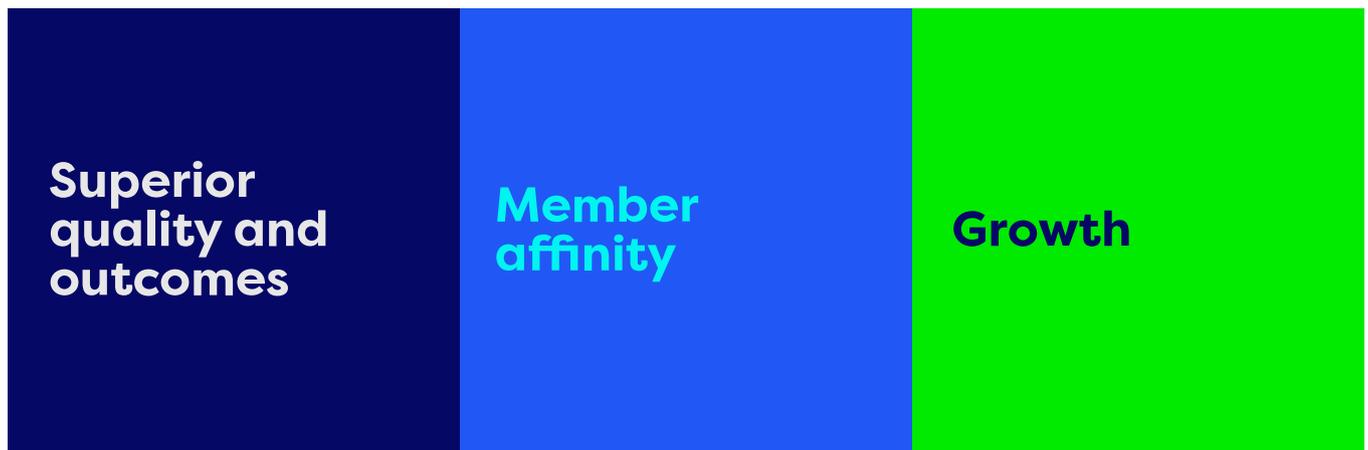
Our strategy 2020 - 2025

To maximise secure and sustainable retirement funds for our members to improve their post-work lifestyles.

To be widely recognised as a leading fund that delivers superior outcomes for professionally minded, aspirational people who value quality through services and active investment management.

We care for our members by helping them to take positive actions, protecting and enhancing their future lifestyles and creating a personal connection. We aim to be their fund for life.

KEY SUCCESS FACTORS



ENABLERS



Here are the key initiatives we delivered that align to our business strategy

SUPERIOR QUALITY AND OUTCOMES

- Strengthened our partnership with our administration provider Mercer to uplift the services provided to members and employers.
- Invested in operational resources and process improvements.
- Implemented a new insurance design to improve relevance, affordability and equity for members.
- Enhanced and diversified our investment research to reduce costs leading to reduced investment fees.
- Implemented a scalable advice model that covers general and limited advice through to comprehensive and complex matters.
- Enhanced our award-winning Sustainable Balanced option.

MEMBER AFFINITY

- Developed an omni-channel strategy to ensure members experience a consistency of service delivery across channels.
- Launched enhancements to website and direct communications to ensure functionality and content is accessible and member or employer friendly.
- Invested in research to strengthen our brand identity and refine our value proposition – critical to enabling us to build scale to deliver superior products and services to members.

GROWTH

- Expanded our partnerships in target industries to elevate the profile of CareSuper, to build membership and scale.
- Developed a strategic framework to enhance member and employer retention and support growth.
- CareSuper was selected by the Trustee Board of Perpetual as the successor fund for over 5,000 members in its MySuper product. Preparations were made for the transfer originally intended for May 2020 but deferred to October 2020.

Our Executive team

Our Executive team is united by a shared commitment to improving our members' lifestyles.



Appointed
2001

JULIE LANDER Chief Executive Officer

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

Julie is the Chief Executive Officer of CareSuper. She's responsible for developing the business strategy and plan designed to help members and employers get the most they can out of their super fund. She oversees the implementation of these plans across the fund, with the support of the executive team.

Julie is a highly experienced leader and has over 30 years' experience in superannuation, including in senior roles across both corporate and industry super funds. Previously she was National HR Manager for a major employer organisation. She has also worked in human resources in the manufacturing industry and for membership organisations in the professional services industry.

Julie holds a Bachelor of Business, a Graduate Diploma of Organisational Leadership, and is RG146 qualified. She is a Director and Fellow 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 and a Member of AHRI and AICD.



Appointed
2015

SUZANNE BRANTON Chief Investment Officer

'Delivering strong long-term returns to members is our goal.'

Suzanne is responsible for the management of CareSuper's investment portfolio and leads a team of dedicated investment professionals. She works closely with the CareSuper Board and Investment Committee to develop the fund's investment strategy for the benefit of CareSuper members while maintaining a strong focus on investment governance and risk.

A proven leader with more than 28 years' experience in financial markets, primarily within superannuation and asset management, Suzanne has extensive, expert knowledge of portfolio management across asset classes. She is experienced in portfolio strategy and design, asset allocation, manager research and selection. Suzanne has managed the investments of profit-to-member super funds for the past 15 years. Prior to this, she held various senior positions in investment strategy and financial market economics at Goldman Sachs and JBWere.

Suzanne holds a Bachelor of Economics (Honours), and a Graduate Diploma of Applied Finance. She is a Fellow of the Financial Services Institute of Australasia.



Appointed
2012

BELINDA RAY Chief Risk Officer 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 25 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 (now known as Willis Towers Watson), including Senior Consultant for corporate super funds and Head of Research, Information and Compliance.

Belinda holds a Bachelor of Business (Accounting and Information Systems), a Graduate Certificate in Organisational Leadership and is a member of the Institute of Chartered Accountants Australia and New Zealand.



Appointed
2017

MARK LYONS
Chief Capability Officer

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

Mark develops and implements CareSuper's operational strategy across its people and culture, business intelligence, corporate finance, project management, internal communications and technology departments.

Mark has over 30 years' experience working in financial services and other highly-regulated industries. He has 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.



Appointed
2002

PETER THEODORAKOPOULOS
Chief Marketing Officer

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

'We're focused on engaging and empowering our members to be confident about the future and improve their post-work lifestyles'.

Peter is responsible for building and evolving CareSuper's brand to ensure it reflects and responds to the needs of our professionally minded members and employers. He provides strategic direction to the design and delivery of CareSuper's marketing and brand strategy, and leads our product, digital, communications and customer experience capabilities.

Peter leads a passionate team of professionals to deliver and shape a marketing program that is distilled to a level that provides a clear, concise and effective focus, ensuring member outcomes are always top of mind.

He has strong expertise within the superannuation industry, including more than 20 years in various senior roles across both industry and corporate funds.

Peter is RG146 qualified, is a Fellow of the Association of Superannuation Funds of Australia (ASFA) and has been awarded Marketing Executive of the Year by the Australian Institute of Superannuation Trustees (AIST) for his contribution and leadership to the Australian superannuation industry.



Appointed
2017

PAUL NORTHEY
Chief Development Officer

'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.

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.



Employee initiatives

We're always striving to ensure that CareSuper is a great place to work, as we believe engaged and driven employees do their best work for our members and employers.

FOSTERING AN ENGAGED, HIGH-PERFORMING 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.

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. The 2019 staff engagement survey showed strong results with resounding feedback that CareSuper employees value our strong member focus and the care shown through attractive employee benefits and an inclusive culture.

The majority of staff agreed that:

- We always act in the best interests of our members
- Their work group has a strong customer service culture
- CareSuper is committed to best practice in its industry
- They understand how their role contributes to CareSuper's long term goals and strategies
- CareSuper's chosen values and behaviours are demonstrated in their teams
- They are required to uphold the highest ethical standards
- CareSuper is committed to continually improving its systems, and
- They are proud to be working at CareSuper.

We also completed a number of minor surveys throughout the year to check the 'pulse' of the organisation and gather feedback on how we could better support employees throughout COVID-19 and in a remote work environment. We used the PERMAH model, a globally recognised wellbeing framework, to assess how our staff were maintaining their health and wellbeing.

Our staff levels of resilience and wellbeing have remained above the national average in 2019/20, even in this challenging climate.* Our voluntary turnover was seven per cent, well below the financial services industry average of 12 percent.^

*Australian HR Institute (AHRI), Wellbeing Lab Workplace Survey 2020
^Financial Institutions Remuneration Group, Policy & Practices survey 2019.

GOOD TO GREAT

To build momentum around employee engagement, in 2018 we established 'Good to Great' – a cross – functional working group which aims to take our workplace from good to great in a continually evolving landscape. It has identified and implemented several key initiatives for employees since its inception, including an enhanced health and wellbeing program and a revamped reward and recognition program.

ALIGNMENT AND DEVELOPMENT

Attracting, retaining and developing skilled employees who embody our goals and values is crucial to maintaining our status as a leading super fund.

We again held our internal national staff conference, which aims to develop our employees and promote engagement and alignment to the high-performing attributes of the Fund. We were delighted to win an award for this conference – for Best Internal Communications Campaign at the 2019 Australian Institute of Superannuation Trustee (AIST) Awards.



EMPLOYEE SUPPORT DURING CHALLENGING TIMES

Recognising the unique challenges that this year has presented, we implemented additional initiatives to support our employees. This was done to ensure they could continue delivering their best for our members and employers, especially from March when they were set up to work from home. These included the expansion of our in-house coaching program, wellbeing workshops and activities, mental health training, home ergonomics assessments and a family resilience seminar.

We value diversity

It's our view that diversity enhances results. We believe that having a broad range of views, perspectives and experiences represented at Board, executive and staff levels is essential for quality decision-making. We 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 in addition to 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 2020

Category	Women	Men
Board	5	5
Executive team	3	3
Middle managers	8	9
Other staff	59	45

Gender by age split at 30 June 2020 (excluding Board members)

Gender	20-29	30-39	40-49	50+
Male	4	24	22	7
Female	7	30	27	6

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 2020

Salary range	Number of staff
\$50,000-100,000	28
\$100,000 - \$200,000	85
\$200,000 - \$300,000	7
\$300,000 - \$400,000	5
\$400,000 - \$500,000	0
\$500,000 - \$600,000	1
\$600,000 - \$700,000	1

Governance

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 is 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 2020. The Code

exceeds any other industry code or principles for superannuation funds.

The Board is comprised of an equal number of member and employer directors (five each) and Board decisions are made by at least a two-thirds majority.

Over the year, we welcomed two new directors – Tony Cavanagh (Member director) and Merran Kelsall (Employer director). CareSuper Board members are chosen via a rigorous process. Having been proposed by a nominating entity, 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 led to effectiveness and good governance. This process was completed in the financial year ending June 2020 and the results were used to debrief the combined group and identify issues for improvement. See the Board skills and performance matrix.

DIRECTORS DURING FINANCIAL YEAR 2019/20



Board Chair
Appointed
1 April 2018

Employer Director
since
1 August 2015

TERENCE (TERRY) WETHERALL AM

Terry Wetherall AM is the Chair of CareSuper, appointed in April 2018. He was previously Deputy Chair since January 2017.

Terry is a Councillor and Past President of Business NSW and a director of Industry Super Australia (ISA). He is also a Past President of the Australian Chamber of Commerce and Industry (ACCI), a Past President of the Illawarra Business Chamber, and an independent representative of the Illawarra First Fund.

Terry is director of town planning consultancy TCW Consulting and holds membership in the Planning Institute of Australia and the Property Institute of Australia.

He was awarded an AM in 2020 for service to business and commerce, the superannuation industry and to the community.

Qualifications

- Graduate, Australian Institute of Company Directors
- 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)



Deputy Chair
Position since
1 January 2020

Current term
commenced
11 December 2018

CR LINDA SCOTT

Councillor Linda Scott is an experienced Board Director, serving her second term as the elected President of Local Government NSW and Labor Councillor on the City of Sydney council, where she has formerly served as the Deputy Lord Mayor. She is also Vice-President of the Australian Local Government Association (ALGA).

As well as her role as Deputy Chair with CareSuper, Linda serves on several NSW Government boards including the NSW Environmental Trust, NSW Road Freight Industry Council and the Music Festival Roundtable. She participates in the annual CEO Sleepout, and is passionate about addressing homelessness and the creation of affordable housing.

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

Qualifications

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

CareSuper Board committee membership

- Deputy Chair
- Chair, Governance and Remuneration Committee
- Compliance, Audit and Risk Management Committee



Member Director
Position since
1 January 2020

Current term
commenced
1 January 2020

ANTHONY (TONY) CAVANAGH

Tony Cavanagh has over 40 years' professional experience in finance, risk and governance. His career includes senior executive positions in financial services (including an industry super fund). He has in-depth experience in financial reporting and performance and was CFO/Director of a start-up financial planning software company.

Throughout his career Tony has worked closely with regulators and government bodies including APRA, ASIC and the ATO. He has broad experience leading organisational change to ensure compliance with legislation.

Tony supports his local community and has previously contributed as a volunteer member of the Country Fire Authority (CFA).

Tony was nominated as a member director by the Australian Services Union (ASU). He contributes strategic thinking, capital management and investment valuation skills to the Board, along with a commercially-oriented approach.

Qualifications

- Bachelor of Economics, Monash University
- Member, Institute of Chartered Accountants ANZ

CareSuper Board committee membership

- Compliance Audit & Risk Management Committee
- Investment 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 best interests of workers through his roles with the Federated Clerks Union (FCU) and the Australian Services Union (ASU).

He is highly experienced in superannuation, industrial relations 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, Member and Employer Services Committee
- Investment Committee



ALESSANDRA (SASCHA) PELDOVA-MCCLELLAND

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

She coordinates multi-union enterprise bargaining, strategic litigation and disputes, negotiates with NSW government regarding worker entitlements, coordinates the union response to policy issues, and trains union affiliates on their industrial rights and obligations. Sascha began her legal career at Maurice Blackburn where she represented individuals and workers in a range of class actions, medical negligence, asbestos and employment and industrial cases.

Sascha was part of the founding team of Living Leadership, a registered charity aimed at teaching young people leadership skills. She was 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 has extensive experience in acting in the best interests of workers, and contributes legal, advocacy and technical skills 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

- Benefit Payments Committee
- Governance and Remuneration Committee



ROBERT POTTER

Robert Potter is the National Secretary of the Australian Services Union (ASU). 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.

He 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 to the Board extensive corporate governance and leadership skills.

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
- Finance Education for Investors, Melbourne Business School

CareSuper Board committee membership

- Benefit Payments Committee
- Member and Employer Services Committee

CareSuper Board (continued)



MICHELLE GARDINER

Michelle Gardiner has over 30 years' experience in financial services.

She has held executive positions within, and more recently consulted to, companies in the following sectors: funds management, financial advice, financial product ratings and profit-to-members superannuation. Her early career included analytical roles within stockbroking and property funds management.

Michelle brings to the board her in-depth knowledge of funds management, asset consultancy and research, as well as extensive experience in business management and strategic planning.

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



DR JEREMY JOHNSON AM

Dr Jeremy Johnson AM is the Chair of the Central Highlands Water Board, Immediate Past President of the Australian Chamber of Commerce and Industry, current Executive Councillor and Past President of the Victorian 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
- Investment Committee
- Member and Employer Services Committee



MERRAN KELSALL

Merran Kelsall is President and Chair of CPA Australia, and Deputy Chair of Melbourne Water Corporation. She is a director of RACV and Australian Red Cross Lifeblood, and an Honorary Director of the TarraWarra Museum of Art.

Merran has over 20 years in practice as a Chartered Accountant, including 10 years as a partner at accountancy and advisory organisation BDO. She was also CEO and Chair of the Auditing and Assurance Standards Board.

Merran is Professor of Practice in the School of Accounting within the Business School at the University of New South Wales. She is an experienced executive coach and is interested in aligning performance management with corporate strategy.

Merran brings to the CareSuper Board a strong focus on corporate governance with strong experience across the public and private sector.

Member Director
since
1 April 2020

Current term
commenced
1 April 2020

Qualifications

- Fellow, CPA Australia
- Fellow, Australian Institute of Company Directors (AICD)
- MBA, The University of Melbourne
- Fellow, Chartered Accountants Australia and New Zealand
- Bachelor of Commerce (Honours), The University of Melbourne

CareSuper Board committee membership

- Chair, Compliance Audit and Risk Management 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

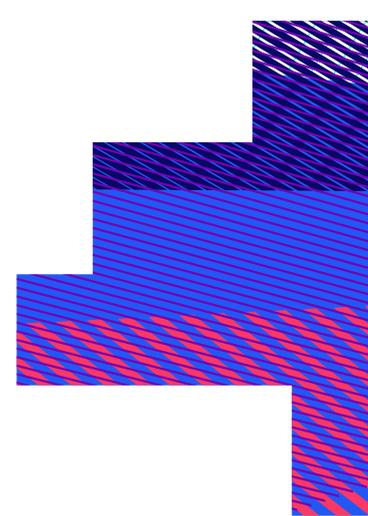
Current term
commenced
1 January 2018

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





Ceased
31 December 2019

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.

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
- GradGraduate, Australian Institute of Company Directors (AICD)

CareSuper Board committee membership

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



Ceased
31 December 2019

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.

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
- Compliance, Audit and Risk Management Committee
- Development and Product Committee
- Investment Committee
- Previous Chair, Member and Employer Services Committee

RELATED ENTITY DISCLOSURES

The following directors and the Chief Executive Officer (CEO) have directorships or other roles with entities in which CareSuper invests or has a commercial relationship.

TERRY WETHERALL AM

- Councillor, Business NSW
- Director, Industry Super Australia Pty Ltd

JULIE LANDER

- Director, Australian Institute of Superannuation Trustees (AIST)
- Director, Fund Executives Association Limited (FEAL)
- Director, Business Council of Cooperatives and Mutuals (BCCM)

MICHELLE GARDINER

- IFM Shareholder Advisory Board (remunerated)

DR JEREMY JOHNSON AM

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

ROBERT POTTER

- Deputy National Secretary, ASU

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

BENEFIT PAYMENTS COMMITTEE

The purpose of the Benefits Payments 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.

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-member funds of a similar size, taking into account funds under management, membership and contribution levels.

The Board resolved that effective 1 May 2020, Director fees be reduced by 20 per cent for the remainder of 2020, in recognition of COVID-19. This decision was made to ensure we – as a membership-based organisation – are in touch with our purpose and that our actions reflect what’s happening in the wider community.

Directors	Short-term employment benefits – Directors fee	Post-employment benefits – Superannuation	Fees paid to	Total
Terence (Terry) Wetherall (Chair)	2019/20 - \$114,764.13 2018/19 - \$87,959.04	2019/20 - \$10,902.60 2018/19 - \$9,480.89	Director	2019/20 - \$125,666.73 2018/19 - \$97,439.93
Linda Scott (Deputy Chair) ¹	2019/20 - \$73,088.12 2018/19 - \$29,861.49	2019/20 - \$6,943.39 2018/19 - \$2,836.85	Director	2019/20 - \$80,031.51 2018/19 - \$32,698.34
Katherine Sampson	2019/20 - \$69,219.68 2018/19 - \$61,821.96	2019/20 - \$6,575.85 2018/19 - \$5,873.04	Director	2019/20 - \$75,795.53 2018/19 - \$67,695.00
Keith Harvey	2019/20 - \$79,222.80 2018/19 - \$70,456.58	2019/20 - \$7,526.16 2018/19 - \$6,693.35	Director	2019/20 - \$86,748.96 2018/19 - \$77,149.93
Michelle Gardiner	2019/20 - \$78,183.46 2018/19 - \$66,309.50	2019/20 - \$7,427.44 2018/19 - \$6,299.38	Director	2019/20 - \$85,610.90 2018/19 - \$72,608.88
Jeremy Johnson	2019/20 - \$71,364.07 2018/19 - \$62,424.26	2019/20 - \$6,779.60 2018/19 - \$5,863.80	Director	2019/20 - \$78,143.67 2018/19 - \$68,288.06
Alessandra Peldova-McClelland ²	2019/20 - \$63,495.22 2018/19 - \$54,561.03	2019/20 - \$6,346.52 2018/19 - \$4,274.00	Unions NSW	2019/20 - \$69,841.74 2018/19 - \$58,835.03
Robert Potter ³	2019/20 - \$75,633.01 2018/19 - \$26,091.00	2019/20 - \$0 2018/19 - \$0	ASU	2019/20 - \$75,633.01 2018/19 - \$26,081.00
Anthony Cavanagh ⁴	2019/20 - \$31,510.86 2018/19 - \$0	2019/20 - \$2,993.54 2018/19 - \$0	Director	2019/20 - \$34,504.40 2018/19 - \$0
Merran Kelsall ⁵	2019/20 - \$16,076.87 2018/19 - \$0	2019/20 - \$1,527.30 2018/19 - \$0	Director	2019/20 - \$17,604.17 2018/19 - \$0
Julie Bignell ⁶	2019/20 - \$47,712.23 2018/19 - \$82,756.32	2019/20 - \$4,532.66 2018/19 - \$7,861.84	Director	2019/20 - \$52,244.89 2018/19 - \$90,618.16
Claire Keating ⁷	2019/20 - \$38,955.73 2018/19 - \$64,283.16	2019/20 - \$3,700.80 2018/19 - \$6,106.92	Director	2019/20 - \$42,656.53 2018/19 - \$70,390.08

¹ Appointed 11 December 2018. Appointed Deputy Chair 1 January 2020

² Appointed 14 August 2018

³ Appointed 1 March 2019

⁴ Appointed 1 January 2020

⁵ Appointed 1 April 2020

⁶ Ceased 31 December 2019

⁷ Ceased 31 December 2019

Compliance and 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

We did not make changes to our Constitution this year.

You can find our Constitution in the Policy section at caresuper.com.au/governance.

CHANGES TO THE TRUST DEED

The Trust Deed was amended to enable the Perpetual Successor Fund Transfer (SFT) and for compliance with the Protecting Your Super (PYS) and Putting Members' Interests First (PMIF) requirements.

The following amendments were made:

- Removal of the age restriction on membership to take effect from the date of the Deed, to ensure that the Perpetual successor fund transfer (SFT) could take place, as it had a member under the age of 15.
- Include an express power to transfer benefits to the Commissioner of Taxation, to take effect from 1 July 2019. This is the only change necessary in response to the Protecting Your Super (PYS) and Putting Members' Interests First (PMIF) requirements.

You can find our Trust Deed at caresuper.com.au/governance.

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

We did not make any changes to our Privacy Policy this year.

You can find it at caresuper.com.au/privacy.

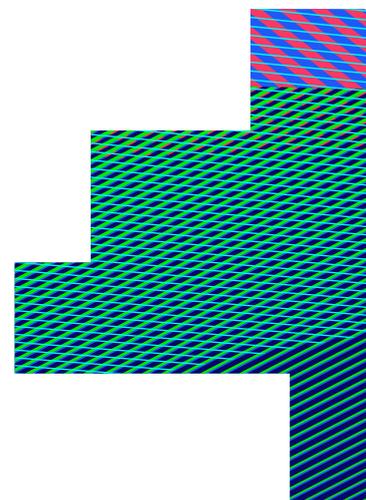
COMPLIANCE

CareSuper 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.



Legislative update

The Federal Government introduced several changes to superannuation this financial year.

EARLY RELEASE OF SUPERANNUATION (ERS) SCHEME

The temporary Early Release of Superannuation (ERS) scheme was introduced in April 2020 to allow individuals experiencing severe financial hardship due to widespread business shutdowns caused by COVID-19 to access up to \$10,000 of their superannuation in financial year 2019/20 and a further \$10,000 in 2020/21.

Between April and end June 2020 we assisted 25,311 members access up to \$10,000 of their super and paid \$194,223,817, 94% within Australian Taxation Office (ATO) legislated timeframes. The average amount paid per member was \$7,677. The scheme required new systems and processes to facilitate the payments, and additional resources at our contact centre to service affected members. We worked closely with the ATO to process the payments as efficiently as possible while maintaining stringent security and anti-fraud measures.

CHANGES TO INSURANCE LAWS

There were important changes to insurance in super including the Protecting Your Super (PYS) legislation implemented in July 2019, and the Putting Members' Interests First (PMIF) legislation commenced 1 April 2020. These laws require us to cancel insurance for inactive members who have not received a contribution or transfer-in for 16 consecutive months, unless they have told us they want to keep their cover. We were also required to cancel standard insurance cover on 1 April 2020 for members who, between 1 November 2019 and 31 March 2020, had not reached an account balance of at least \$6,000 and had not elected to keep their cover. Affected members received communications about this. Effective from 1 April 2020, we can only provide automatic insurance cover to members who are age 25 or older and have an account balance that has reached \$6,000 at least once. Members

can elect to receive standard cover without requiring health evidence and before they meet the above age and account balance requirements, if it's right for them. Other conditions may apply as outlined in the Insurance Guide.

Read further about changes to insurance in the Insurance section of this report.

CHANGES TO INACTIVE SUPER ACCOUNTS WITH LOW BALANCES

As part of the Protecting Your Superannuation legislation, all super funds are required to close inactive super (accumulation) accounts with a balance less than \$6,000 and transfer the balance in the account to the Australian Taxation Office (ATO). This means that if members are uncontactable or inactive, and they have a balance of less than \$6000, their account may be transferred to the ATO under this policy. This usually happens each year in April and October. If the member's account is transferred to the ATO due to this policy, any insurance cover they have with CareSuper will end and they will no longer be a member of CareSuper.

To update your details and see when your last contribution was made to your super go to caresuper.com.au/login.

REDUCTION TO MINIMUM PENSION DRAWDOWN RATES

Account-based pension and transition to retirement (TTR) pension members can temporarily reduce their pension payments by 50 per cent in the 2019/20 and 2020/21 financial years. This temporary measure was implemented due to the COVID-19 pandemic and aims to minimise the impact on members' account balances when share markets are under pressure.

INSURANCE IN SUPERANNUATION CODE OF PRACTICE

As part of our commitment to delivering best practice products and services to our members, CareSuper has signed up to the Insurance in Superannuation Code of Practice which sets an industry-wide standard for insurance in super. It will ensure it's easier for members to understand their insurance options and find information about their cover, reduce communication timeframes, make it easier for members to make changes to their cover, and receive more assistance during the claims process.

We're working to ensure we're ready to commence operating under the Code as soon as possible. All requirements under the Code will be met for our core product by 31 December 2020, under which most of our members are covered. Where there are exceptions to Code compliance we will publish our rationale for these instances, and any steps we are taking to improve our Code compliance. We will be fully compliant with the Code by 31 December 2021.

Read more about the Code at caresuper.com.au/insurancecode. See the Insurance section for information on steps we've taken during 2019/20 to educate our members about insurance in super.

Corporate responsibility and 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. Find it in the Policy section at caresuper.com.au/governance.

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.
- **2019/20 Report:** In the past year, we carried out 41 full manager ESG assessments across six asset classes.
- Exercise our voting rights at company meetings and use our influence to support positive corporate behaviours and drive improved ESG practices.
- **2019/20 Report:** We voted at more than 1120 shareholder meetings and voted against more than 1150 resolutions. See how we voted at caresuper.com.au/voting.
- 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.
- **2019/20 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.
- **2019/20 Report:** We reported against the six principles of the PRI and have been awarded A+ for our responsible investment practices on Strategy & Governance, Listed Equity and Listed Equity Active Ownership 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.

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 at caresuper.com.au/stewardship-statement.



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.

2019/20 Report: This year we became 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. To reduce emissions, we have implemented sustainability and carbon neutral initiatives across our day-to-day business operations including improving energy efficiencies in our offices and recycling and waste management. In Melbourne, we have moved to new premises that have the highest sustainability ratings. In addition, we invest in global carbon offset projects including wind farms and regeneration projects. These projects provide additional benefits such as improving biodiversity in Australia, creating jobs and improving access to education for girls in developing countries which are in line with the United Nations (UN) Sustainable Development Goals.

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.

Investing sustainably is a priority for many of our members, which is why we offer a dedicated investment 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 focuses on investments that drive positive change towards a more sustainable and inclusive world. It was relaunched in 2019 with a restructure of managers and investments.



Find out more about our Sustainable Balanced option at caresuper.com.au/sustainable-super.

ADDRESSING MODERN SLAVERY IN THE LABOUR SUPPLY CHAIN

The Australian Modern Slavery Act 2018, enacted in 2019, guides organisations on reporting modern slavery risks in their operations and supply chains.

2019/20 Report: We've been developing a modern slavery framework that includes a road map of activities to be implemented over the next three years. The Investments team reviewed survey responses received from our investment managers and assessed how modern slavery risks were managed in their business operations and investment activities. Those responses will assist us to identify the high-risk areas we must focus on addressing.

EXHIBITING THE HIGHEST STANDARDS OF GOVERNANCE

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

2019/20 Report: We continue to adopt AIST's Governance Code. Adherence to the Code requires annual reporting and compliance review, and we've submitted our 2020 report.

ENHANCING THE EXPERIENCE OF MEMBERS AND EMPLOYERS

Our goal is to build enduring relationships with our members and employers by continually adding value and improving customer experience. We measure member and employer satisfaction through regular surveys and report on a wide range of metrics.

2019/20 Report: Our net promoter score (NPS) was +52, and our last satisfaction survey showed that over 87% of super members and 95% of pension members surveyed were satisfied with CareSuper. We also launched a working group to develop an enhanced engagement and retention strategy to be implemented across all business areas.

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 8.

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.

2019/20 Report: Community engagement continued in 2020 with our staff encouraged to donate blood and participate in community events, such as Movember where we raised \$5360 to support men's health. We also proudly supported and participated in the Mother's Day Classic as a National Silver sponsor – held virtually for the first time due to COVID-19 – to raise money for breast cancer research. Our CEO and the CareSuper team raised an impressive fundraising total of more than \$18,000.

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

BUILDING STRONGER RELATIONSHIPS

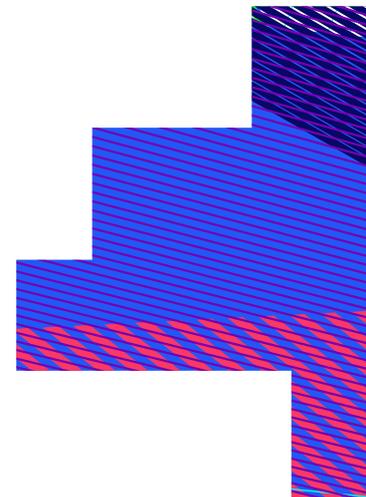
Superannuation has historically been known for its low member engagement and awareness, and high industry competition. To support the 'affinity' pillar within our business strategy, we proactively engage

with our members and employers to promote the importance of super, educate them and improve our relationships with them. We also offer general, limited, comprehensive and complex financial advice to help members set financial goals and put strategies in place to help them achieve a positive financial future.

2019/20 Report: Our Relationships and Growth team played an integral role in supporting our members, employers and the Fund throughout the year, particularly around the COVID-19 pandemic. More than 2500 members sought advice from the financial planning team, including 450 in April alone. Our Client Partnership team carried out 3,012 meetings in-person or virtually with members and employers, and conducted 346 workplace seminars to support members. They continued to secure default status from new employers - despite the more challenging economic circumstances. Finally, our Outbound team spoke to more than 10,507 members about their super over the phone and made 9,209 calls to welcome new members.

EDUCATING AND ENGAGING MEMBERS

In line with our objective to help our members achieve their goals in life, we take responsibility to educate, inform and engage them on superannuation and related topics so that they can make better financial decisions and achieve their desired outcomes. Educational information is available via several channels ranging from face-to-face engagement at workplaces, through seminars or webinars, our website, MemberOnline, direct mail and email communication.



Corporate responsibility and sustainability (continued)

2019/20 Report: We had 2,462 attendees at 49 CareSuper events held across Australia, and invested time transitioning our events program online to ensure we could continue to educate and engage with our members despite the government-enforced lockdowns due to COVID-19. Our members visited our online superannuation calculators over 16,000 times. We developed a COVID-19 presentation that was delivered to business groups, workplaces and members to improve understanding of investment market changes, the early release of super scheme and other government support available. It also outlined steps members can take to improve their financial position after they get back on their feet, if they are affected by job loss or reduced hours due to COVID-19. To further support these initiatives, we launched the Education Hub as an online resource to assist members of all ages better understand their super and other finance-related topics - allowing them to learn in their own time, at their own pace.

OUR VALUED PARTNERS

A robustly managed partnership program enables us to engage with current and prospective members and our key employer groups. Partnerships are vital for us to improve engagement around superannuation among members and employers, raise our profile and brand as a trusted industry super fund, and importantly build and sustain member numbers and funds under management (FUM). This increased scale helps us deliver more competitive products and services to members, for example through more competitive fees.

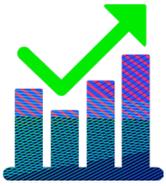
OUR PARTNERS

Business Australia (NSW Business Chamber)
Victorian Chamber of Commerce and Industry (VCCI)
Canberra Business Chamber
ACTU Member Connect
Melbourne Victory
ASU Australian Services Union- National
ASU Australian Services Union - VIC Division
Women in Super Mother's Day Classic
ACCI Australian Chamber of Commerce and Industry - Business Leader Dinner
AFL Canberra
BCCM Annual Summit
Australian Medical Association (AMA)*
Australian HR Institute (AHRI)

*We ceased our partnership with AMA during financial year 2020.



Investments



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 at caresuper.com.au/investmentoptions.

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.





Investment performance

Investment update with Chief Investment Officer, Suzanne Branton

FOR THE YEAR

The 2019/20 financial year will long be remembered for the global impact of the COVID-19 pandemic and a particularly challenging time for investment markets. It was the year that global share markets went into rapid decline through February and March, in reaction to the economic shutdowns required to contain the spread of COVID-19, before recovering most of the losses by the end of the financial year. Against this backdrop, our Balanced (MySuper) investment option returned 0.22% for the year to 30 June 2020, which was well above the median of -0.82%, according to independent ratings agency, SuperRatings. Amid so much uncertainty, we're proud to have delivered a positive investment return for members. Pleasingly, we were also able to reduce our investment fees across all investment options. The new fees were disclosed to members in the October 2020 PDS.

TOP PERFORMER OVER THE LONG TERM

Despite the small positive investment return this year, the long-term returns for our Balanced (MySuper) option remain strong. It has delivered 8.43% per year, on average, over the past 10 years. This is a wide margin above the industry median of 7.4% per year.*

CareSuper's Balanced option (for both super and pension members) was a top performer over the last 5, 7, 10 and 15 years.** Also, our Balanced (MySuper) option is also ranked the number one fund over 20 years, returning an average 7.48% per year.*

The returns for all our investment options across the various timeframes are set out in the **Returns at a glance tables** below this message.

KEY LESSONS FOR INVESTORS

The key lesson from the past financial year is the importance of maintaining a well-diversified portfolio and sticking to your investment strategy.

The extraordinary events of the past year highlight the value and importance of our more defensive investment approach and certainly showed the power of diversification. Our active investment strategy ensures that we diligently select investments – avoiding those that are expensive and assessing investments that might be facing greater risks.

The diversification in our Balanced option ensures that members can remain invested through different market cycles and benefit from any recovery of share markets and the broader economy.

ECONOMIC RECOVERY WILL TAKE TIME

As the impact of COVID-19 continues to play out, it's important to remember that superannuation is a long-term investment. It's better measured over decades rather than months or years. Having successfully navigated an extremely turbulent financial year with further volatility still expected, we'll continue to monitor financial market movements and seek out investment opportunities that we believe will outperform the market over the long term. See our market updates at caresuper.com.au/market-updates for the annual investment update video.

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

** SuperRatings Pension Fund Crediting Rate Survey - June 2019. Various indices.

RETURNS AT A GLANCE

Here are our compound average returns (after investment fees, indirect costs and tax) as at 30 June 2020.

SUPER

Investment choice	2020	2019	2018	2017	2016	2015	10 yr	7 yr	5 yr	3 yr
Managed options										
Balanced	0.22%	6.88%	10.10%	11.70%	4.45%	10.76%	8.43%	8.05%	6.59%	5.65%
Growth	-0.43%	7.13%	11.53%	13.69%	3.04%	11.78%	9.01%	8.72%	6.86%	5.96%
Alternative Growth	-0.19%	6.45%	9.59%	11.54%	5.47%	9.68%	8.37%	7.81%	6.49%	5.20%
Sustainable Balanced	2.05%	9.37%	8.53%	9.36%	4.35%	9.79%	8.24%	7.91%	6.69%	6.60%
Conservative Balanced	0.15%	5.52%	7.21%	8.83%	3.08%	8.26%	6.77%	6.07%	4.91%	4.25%
Capital Stable	0.51%	4.96%	5.73%	6.86%	3.56%	6.67%	5.93%	5.16%	4.30%	3.71%
Capital Guaranteed	1.58%	1.89%	1.64%	1.65%	2.27%	2.91%	2.01%	1.94%	1.81%	1.70%
Asset class options										
Overseas Shares	3.53%	7.22%	12.04%	18.56%	-0.39%	20.47%	11.19%	11.12%	7.99%	7.54%
Australian Shares	-6.50%	7.74%	15.93%	14.72%	0.19%	7.60%	8.05%	7.77%	6.06%	5.31%
Direct Property	1.69%	8.37%	12.74%	12.94%	13.34%	9.61%	8.86%	9.54%	9.72%	7.50%
Fixed Interest	2.41%	5.53%	2.14%	1.77%	4.05%	4.87%	4.98%	3.66%	3.17%	3.35%
Cash	1.13%	2.00%	1.92%	2.08%	2.44%	2.78%	2.76%	2.17%	1.91%	1.68%

TRANSITION TO RETIREMENT (TTR)

Investment choice	2020	2019	2018	2017	2016	2015	10 yr	7 yr	5 yr	3 yr
Managed options										
Balanced	0.22%	6.88%	10.10%	12.67%	4.89%	11.64%	9.16%	8.54%	6.86%	5.65%
Growth	-0.43%	7.13%	11.53%	14.68%	3.89%	12.84%	9.86%	9.33%	7.22%	5.96%
Alternative Growth	-0.19%	6.45%	9.59%	12.81%	5.88%	10.72%	9.08%	8.19%	6.82%	5.20%
Sustainable Balanced	2.05%	9.37%	8.53%	10.22%	4.58%	10.83%	9.08%	8.40%	6.90%	6.60%
Conservative Balanced	0.15%	5.52%	7.21%	9.53%	3.77%	8.85%	7.46%	6.51%	5.19%	4.25%
Capital Stable	0.51%	4.96%	5.73%	7.47%	4.08%	7.55%	6.54%	5.58%	4.52%	3.71%
Capital Guaranteed	1.58%	1.89%	1.64%	2.03%	2.61%	3.41%	2.16%	2.14%	1.95%	1.70%
Asset class options										
Overseas Shares	3.53%	7.22%	12.04%	20.94%	-0.45%	21.85%	12.27%	11.83%	8.41%	7.54%
Australian Shares	-6.50%	7.74%	15.93%	16.35%	1.27%	8.18%	8.97%	8.56%	6.59%	5.31%
Direct Property	1.69%	8.37%	12.74%	14.95%	14.86%	10.92%	9.76%	10.36%	10.40%	7.50%
Fixed Interest	2.41%	5.53%	2.14%	2.23%	4.68%	5.44%	5.56%	4.03%	3.39%	3.35%
Cash	1.13%	2.00%	1.92%	2.43%	2.66%	3.22%	3.14%	2.37%	2.03%	1.68%

PENSION

Investment choice	2020	2019	2018	2017	2016	2015	10 yr	7 yr	5 yr	3 yr
Managed options										
Balanced	-0.91%	7.50%	11.09%	12.67%	4.89%	11.64%	9.20%	8.59%	6.94%	5.77%
Growth	-1.63%	7.98%	12.58%	14.68%	3.89%	12.84%	9.92%	9.41%	7.33%	6.14%
Alternative Growth	-1.09%	6.81%	10.90%	12.81%	5.88%	10.72%	9.15%	8.29%	6.95%	5.42%
Sustainable Balanced	1.06%	10.60%	9.60%	10.22%	4.58%	10.83%	9.20%	8.57%	7.14%	7.00%
Conservative Balanced	-0.50%	6.10%	8.31%	9.53%	3.77%	8.85%	7.56%	6.65%	5.38%	4.57%
Capital Stable	0.23%	5.54%	6.42%	7.47%	4.08%	7.55%	6.64%	5.71%	4.72%	4.02%
Capital Guaranteed	1.91%	2.28%	1.97%	2.03%	2.61%	3.41%	2.27%	2.29%	2.16%	2.05%
Asset class options										
Overseas Shares	3.63%	8.28%	13.96%	20.94%	-0.45%	21.85%	12.59%	12.27%	9.01%	8.54%
Australian Shares	-7.67%	8.80%	17.86%	16.35%	1.27%	8.18%	9.12%	8.77%	6.88%	5.79%
Direct Property	1.71%	8.79%	13.84%	14.95%	14.86%	10.92%	9.91%	10.58%	10.70%	8.00%
Fixed Interest	2.78%	6.41%	2.50%	2.23%	4.68%	5.44%	5.72%	4.26%	3.71%	3.88%
Cash	1.27%	2.39%	2.26%	2.43%	2.66%	3.22%	3.23%	2.49%	2.20%	1.97%

The returns shown above for super, TTR and pension 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.

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
- Integrate environmental, social and governance (ESG) issues into the decision-making process
- Tax-effectiveness
- Costs.

We select and appoint professional investment managers to invest members' assets in line with the strategies for our investment options.

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

INVESTMENT RISK

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

- Inflation
- Liquidity
- Financial loss.

For more information about the types of risk, read our Investment Guide or Pension Guide at 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.

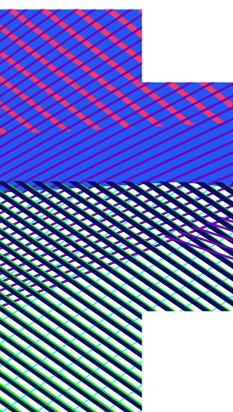
VOTING

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.

Our policy is to vote all shares where possible and in a manner that is consistent with our investment philosophy. We aim to ensure that all voting decisions incorporate good ESG practices and support our engagement activities. In doing so, we take into account the views of independent proxy voting advisers and our investment managers. The right to instruct the final voting direction resides with CareSuper.

See how we voted at caresuper.com.au/voting.



Investment approach (continued)

INVESTMENT EXPOSURES

At 30 June 2020 the following investment managers held more than 5% of CareSuper's assets.

IFM Investors	7.54%
- IFM Enhanced Index Equities	4.63%
- IFM Australian Infrastructure Fund	2.02%
- IFM Specialised Credit Fund	0.51%
- IFM Recap Australia Strategy	0.13%
- IFM International Private Equity Fund III	0.12%
- IFM Infrastructure Debt	0.12%
- IFM Australian Private Equity Fund IV	0.02%
- IFM International Private Equity Fund II	0.01%
- IFM Australian Private Equity Fund III	0.00%
- IFM International Private Equity Fund I	0.00%
First Sentier Wholesale Cash	7.16%
MFS Global Equity Trust	5.38%

RESERVE ACCOUNTS

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

1. General Reserve, and
2. Operational Risk Reserve (ORR).

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 ORR is maintained to provide for the risks of operating a superannuation fund. The level of ORR maintained reflects the size, complexity and business of CareSuper (0.25% of net assets as at 30 June 2020). Reserves are reviewed on at least a quarterly basis.

These reserves are invested in a strategy appropriate to their time horizon 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 ORR 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	69,607	125,868	133,187
ORR	40,654	39,699	36,041
Total Reserves	110,261	165,567	169,228

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. New unit prices for each investment option are calculated each business day (Monday to Friday excluding public holidays) and are published on our website within two business days.

Every member's account balance information includes the number of units they own.

A buy price is usually the price applied when contributions are made into an investment option, at which time a member's account will be allocated units at the buy price.

A sell price is usually applied when money is withdrawn from an investment option, including withdrawals from accounts for investment switches and payments, insurance fees and tax deducted directly from an account. The sell price is also used to calculate account balances.

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

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 traded funds, listed investment companies and term deposits through the DIO.

Explore our investment choices at caresuper.com.au/investments.

ACTUAL ASSET ALLOCATIONS

For information on the actual asset allocations to 30 June 2020 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 have been the same as they are for super since 2018. Previously TTR and pension were the same.

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.

Here's a summary of each of our Managed and Asset Class options as at 30 June 2020.

BALANCED (MYSUPER)

Overview 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 go into this option if you don't make an investment choice.

Return objective 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.

Risk level **Medium.** The chance of a negative annual return is 2.8 in every 20 years.

Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2020		30 June 2019		
	Super & TTR	Pension	Super & TTR	Pension	
Australian Shares	21	24	22	25	10-40
Overseas Shares	25	18	26	19	10-40
Property	12	13	12	13	0-25
Alternatives	24	26	24	26	0-55
Fixed Interest	7	7	6	5	5-35
Cash	10	7	11	11	0-30

GROWTH

Overview	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.																																												
Return objective	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.																																												
Risk level	Medium to high. The chance of a negative annual return is 3.5 in every 20 years for super accounts, transition to retirement accounts and full pension accounts.																																												
Asset mix	<p>Actual asset allocations (%) year ended:</p> <table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="2">30 June 2020</th> <th colspan="2">30 June 2019</th> <th rowspan="3">Range (%)</th> </tr> <tr> <th>Super & TTR</th> <th>Pension</th> <th>Super & TTR</th> <th>Pension</th> </tr> <tr> <th colspan="4">Super, TTR & Pension</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>27</td> <td>32</td> <td>28</td> <td>33</td> <td>15-50</td> </tr> <tr> <td>Overseas Shares</td> <td>34</td> <td>24</td> <td>36</td> <td>26</td> <td>15-50</td> </tr> <tr> <td>Property</td> <td>12</td> <td>13</td> <td>12</td> <td>13</td> <td>0-25</td> </tr> <tr> <td>Alternatives</td> <td>20</td> <td>23</td> <td>19</td> <td>21</td> <td>0-70</td> </tr> <tr> <td>Cash</td> <td>7</td> <td>8</td> <td>6</td> <td>7</td> <td>0-20</td> </tr> </tbody> </table>		30 June 2020		30 June 2019		Range (%)	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension				Australian Shares	27	32	28	33	15-50	Overseas Shares	34	24	36	26	15-50	Property	12	13	12	13	0-25	Alternatives	20	23	19	21	0-70	Cash	7	8	6	7	0-20
	30 June 2020		30 June 2019		Range (%)																																								
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Alternatives	20	23	19	21	0-70																																								
Cash	7	8	6	7	0-20																																								

ALTERNATIVE GROWTH

Overview	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.																																												
Return objective	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.																																												
Risk level	Medium. The chance of a negative annual return is 2.5 in every 20 years for super accounts, transition to retirement accounts and full pension accounts.																																												
Asset mix	<p>Actual asset allocations (%) year ended:</p> <table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="2">30 June 2020</th> <th colspan="2">30 June 2019</th> <th rowspan="3">Range (%)</th> </tr> <tr> <th>Super & TTR</th> <th>Pension</th> <th>Super & TTR</th> <th>Pension</th> </tr> <tr> <th colspan="4">Super, TTR & Pension</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>18</td> <td>22</td> <td>20</td> <td>24</td> <td>10-40</td> </tr> <tr> <td>Overseas Shares</td> <td>24</td> <td>17</td> <td>24</td> <td>17</td> <td>10-40</td> </tr> <tr> <td>Property</td> <td>12</td> <td>13</td> <td>12</td> <td>13</td> <td>0-25</td> </tr> <tr> <td>Alternatives</td> <td>37</td> <td>38</td> <td>37</td> <td>39</td> <td>10-85</td> </tr> <tr> <td>Cash</td> <td>9</td> <td>9</td> <td>7</td> <td>7</td> <td>0-20</td> </tr> </tbody> </table>		30 June 2020		30 June 2019		Range (%)	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension				Australian Shares	18	22	20	24	10-40	Overseas Shares	24	17	24	17	10-40	Property	12	13	12	13	0-25	Alternatives	37	38	37	39	10-85	Cash	9	9	7	7	0-20
	30 June 2020		30 June 2019		Range (%)																																								
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Overseas Shares	24	17	24	17	10-40																																								
Property	12	13	12	13	0-25																																								
Alternatives	37	38	37	39	10-85																																								
Cash	9	9	7	7	0-20																																								

SUSTAINABLE BALANCED

Overview	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.																																																		
Return objective	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.																																																		
Risk level	Medium. 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.																																																		
Asset mix	<p>Actual asset allocations (%) year ended:</p> <table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="2">30 June 2020</th> <th colspan="2">30 June 2019</th> <th rowspan="3">Range (%)</th> </tr> <tr> <th>Super & TTR</th> <th>Pension</th> <th>Super & TTR</th> <th>Pension</th> </tr> <tr> <th colspan="4">Super, TTR & Pension</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>21</td> <td>24</td> <td>22</td> <td>25</td> <td>10-40</td> </tr> <tr> <td>Overseas Shares</td> <td>25</td> <td>18</td> <td>26</td> <td>19</td> <td>10-40</td> </tr> <tr> <td>Property</td> <td>12</td> <td>13</td> <td>12</td> <td>13</td> <td>0-25</td> </tr> <tr> <td>Alternatives</td> <td>24</td> <td>27</td> <td>24</td> <td>26</td> <td>0-55</td> </tr> <tr> <td>Fixed Interest</td> <td>7</td> <td>7</td> <td>5</td> <td>5</td> <td>5-35</td> </tr> <tr> <td>Cash</td> <td>10</td> <td>11</td> <td>11</td> <td>12</td> <td>0-30</td> </tr> </tbody> </table>		30 June 2020		30 June 2019		Range (%)	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension				Australian Shares	21	24	22	25	10-40	Overseas Shares	25	18	26	19	10-40	Property	12	13	12	13	0-25	Alternatives	24	27	24	26	0-55	Fixed Interest	7	7	5	5	5-35	Cash	10	11	11	12	0-30
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Property	12	13	12	13	0-25																																														
Alternatives	24	27	24	26	0-55																																														
Fixed Interest	7	7	5	5	5-35																																														
Cash	10	11	11	12	0-30																																														



Find out more about our Sustainable Balanced option at caresuper.com.au/sustainable-super.

CONSERVATIVE BALANCED

Overview	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).				
Return objective	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.				
Risk level	Medium. The chance of a negative annual return is 2.0 in every 20 years for super accounts, transition to retirement accounts and full pension accounts.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2020		30 June 2019		
	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension
Australian Shares	16	19	17	20	5-30
Overseas Shares	20	14	20	14	5-30
Property	7	8	7	8	0-15
Alternatives	20	22	21	23	0-45
Fixed Interest	11	11	9	9	0-50
Cash	27	27	26	26	10-60

CAPITAL STABLE

Overview	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.				
Return objective	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.				
Risk level	Low to medium. The chance of a negative annual return is 1.1 in every 20 years for super and transition to retirement accounts and 1.0 in every 20 years for full pension accounts.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2020		30 June 2019		
	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension
Australian Shares	10	12	11	13	0-25
Overseas Shares	13	9	13	9	0-25
Property	6	7	6	7	0-15
Alternatives	18	19	19	20	0-35
Fixed Interest	17	17	15	15	0-50
Cash	37	37	36	36	10-70

CAPITAL GUARANTEED

Overview	This option invests in capital guaranteed products issued by life insurance companies. This means that the issuing life insurance company guarantees the capital invested as well as the investment returns and not CareSuper. A capital guarantee does not however guarantee the level of future investment performance, other than that it won't be negative. The asset allocation for this option is mainly made up of capital guaranteed investments. 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 the guarantee.				
Return objective	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.				
Risk level	Very low. The chance of a negative annual return is nil in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2020		30 June 2019		
	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension
Fixed Interest	22	22	22	22	0-50
Cash	78	78	78	78	50-100

ASSET CLASS OPTIONS

OVERSEAS SHARES

Overview	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.				
Return objective	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.				
Risk level	High. The chance of a negative annual return is 4.4 in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2020		30 June 2019		
	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension
Overseas Shares	100	100	100	100	n/a

AUSTRALIAN SHARES

Overview	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.				
Return objective	To outperform the return of the Australian share market (as measured by the S&P/ASX 300 Accumulation Index). To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year (over rolling 10-year periods).				
Risk level	High. The chance of a negative annual return is 5.4 in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2020		30 June 2019		
	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension
Australian Shares	100	100	100	100	n/a

DIRECT PROPERTY

Overview	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.				
Return objective	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).				
Risk level	Medium to high. The chance of a negative annual return is 3.2 in every 20 years.				
Asset mix	Actual asset allocations (%) year ended:				Range (%)
	30 June 2020		30 June 2019		
	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension
Direct Property	100	100	100	100	n/a

FIXED INTEREST

Overview	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.																														
Return objective	To outperform returns from a mix of the Australian and overseas bond markets (as measured by a benchmark consisting of the Bloomberg AusBond Composite Bond Index and, the Barclays Capital Global Aggregate Index [hedged] 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.																														
Risk level	Very low. The chance of a negative annual return is 0.2 in every 20 years.																														
Asset mix	<table border="1"> <thead> <tr> <th colspan="5">Actual asset allocations (%) year ended:</th> <th>Range (%)</th> </tr> <tr> <th></th> <th colspan="2">30 June 2020</th> <th colspan="2">30 June 2019</th> <th></th> </tr> <tr> <th></th> <th>Super & TTR</th> <th>Pension</th> <th>Super & TTR</th> <th>Pension</th> <th>Super, TTR & Pension</th> </tr> </thead> <tbody> <tr> <td>Fixed Interest</td> <td>66</td> <td>66</td> <td>65</td> <td>65</td> <td>50-100</td> </tr> <tr> <td>Cash</td> <td>34</td> <td>34</td> <td>35</td> <td>35</td> <td>0-50</td> </tr> </tbody> </table>	Actual asset allocations (%) year ended:					Range (%)		30 June 2020		30 June 2019				Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension	Fixed Interest	66	66	65	65	50-100	Cash	34	34	35	35	0-50
Actual asset allocations (%) year ended:					Range (%)																										
	30 June 2020		30 June 2019																												
	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension																										
Fixed Interest	66	66	65	65	50-100																										
Cash	34	34	35	35	0-50																										

CASH

Overview	The Cash 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.																								
Return objective	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).																								
Risk level	Very low. The chance of a negative annual return is nil in every 20 years.																								
Asset mix	<table border="1"> <thead> <tr> <th colspan="5">Actual asset allocations (%) year ended:</th> <th>Range (%)</th> </tr> <tr> <th></th> <th colspan="2">30 June 2019</th> <th colspan="2">30 June 2018</th> <th></th> </tr> <tr> <th></th> <th>Super & TTR</th> <th>Pension</th> <th>Super & TTR</th> <th>Pension</th> <th>Super, TTR & Pension</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>100</td> <td>100</td> <td>100</td> <td>100</td> <td>n/a</td> </tr> </tbody> </table>	Actual asset allocations (%) year ended:					Range (%)		30 June 2019		30 June 2018				Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension	Cash	100	100	100	100	n/a
Actual asset allocations (%) year ended:					Range (%)																				
	30 June 2019		30 June 2018																						
	Super & TTR	Pension	Super & TTR	Pension	Super, TTR & Pension																				
Cash	100	100	100	100	n/a																				

Our investment managers

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

Here's a list of our managers, ordered 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 2020 and 30 June 2019.

CareSuper's investment managers during 2019/20	Investments held by managers			
	2020		2019	
	\$m	% of Fund	\$m	% of Fund
Absolute Return				
BNP Absolute Return Fixed Interest Trust	161.36	1.03%	273.41	1.67%
Coolabah Capital Credit Fund ¹	196.81	1.26%	0.00	0.00%
Insight Absolute Return Bond Fund ⁴	14.43	0.09%	262.98	1.60%
Wellington Global Total Return	175.47	1.12%	243.99	1.49%
Total	548.07	3.50%	780.37	4.76%
Australian Shares				
Airlie Australian Equities	238.22	1.52%	238.66	1.45%
IFM Enhanced Index Equities	725.45	4.63%	806.17	4.91%
IFM Recap Australia Strategy ¹	20.07	0.13%	0.00	0.00%
Lennox Capital Partners Australian Equities	148.27	0.95%	48.34	0.29%
Ophir High Conviction Australian Equities	133.11	0.85%	115.47	0.70%
Ophir Opportunities Fund	106.07	0.68%	90.15	0.55%
Optar Australian Equities	171.27	1.09%	202.33	1.23%
Paradise Investment Management Large Caps	668.97	4.27%	754.29	4.60%
Renaissance Smaller Companies ²	0.00	0.00%	109.68	0.67%
Schroder Australian Equities	682.83	4.36%	761.78	4.64%
Ubique Australian Equities	463.54	2.96%	579.32	3.53%
Total	3,357.79	21.43%	3,706.19	22.59%
Capital Guaranteed				
AMP Guaranteed Savings Account ³	157.07	1.00%	102.35	0.62%
Total	157.07	1.00%	102.35	0.62%
Cash				
First Sentier Wholesale Cash	1,121.59	7.16%	980.53	5.98%
Term Deposits	565.06	3.61%	926.71	5.65%
Total	1,686.65	10.77%	1,907.24	11.63%
Credit				
Apollo Credit Fund	149.70	0.96%	180.78	1.10%
Apollo Athene Dedicated Investment Program ¹	19.32	0.12%	0.00	0.00%
Barings Multi Strategy Credit	236.30	1.51%	272.10	1.66%
HayFin Direct Lending Fund	4.80	0.03%	7.66	0.05%
HayFin Direct Lending Fund II	94.83	0.61%	108.64	0.66%
IFM Infrastructure Debt	18.03	0.12%	22.38	0.14%
Marathon Multi Strategy Credit ¹	244.82	1.56%	0.00	0.00%
Shenkman Capital Bank Loans	249.45	1.59%	282.16	1.72%
Total	1,017.25	6.49%	873.72	5.33%

CareSuper's investment managers during 2019/20	Investments held by managers			
	2020		2019	
	\$m	% of Fund	\$m	% of Fund
Direct Property				
Charter Hall Prime Office Fund	448.54	2.86%	429.91	2.62%
DEXUS Wholesale Property Fund	690.41	4.41%	726.73	4.43%
Eureka Development Fund No. 2 ⁴	0.01	0.00%	0.01	0.00%
ISPT Core Fund	627.88	4.01%	628.73	3.83%
ISPT Development & Opportunities Fund No. 2	3.44	0.02%	3.70	0.02%
ISPT International Property Trust ⁵	0.00	0.00%	0.02	0.00%
ISPT Retail Australia Property Trust	146.23	0.93%	154.94	0.94%
Lend Lease Australian Prime Property Fund Retail	20.92	0.13%	37.66	0.23%
Total	1,937.43	12.37%	1981.70	12.08%
Fixed Interest				
IFM Specialised Credit Fund	79.24	0.51%	144.58	0.88%
Janus Henderson Australian Fixed Interest	200.14	1.28%	190.02	1.16%
Brandywine Global Fixed Income Fund	147.68	0.94%	219.07	1.34%
ME Bank Super Loans Trust	0.51	0.00%	1.29	0.01%
UBS Australian Fixed Interest	238.96	1.53%	190.55	1.16%
Western Fixed Income	277.35	1.77%	226.03	1.38%
Total	943.88	6.03%	971.74	5.92%
Infrastructure				
AMP Capital Infrastructure Equity Fund	243.55	1.55%	258.25	1.57%
Antin Co Investment Fund	32.17	0.21%	23.86	0.15%
Antin Infrastructure Fund4	0.03	0.00%	3.46	0.02%
Antin Infrastructure Fund III	120.82	0.77%	96.30	0.59%
Antin Infrastructure Fund IV1	1.39	0.01%	0.00	0.00%
Morrison Utilities Trust Of Australia	341.03	2.18%	352.11	2.15%
IFM Australian Infrastructure Fund	315.79	2.02%	312.44	1.90%
Macquarie Global Infrastructure Fund II	1.84	0.01%	48.22	0.29%
Total	1,056.60	6.74%	1094.65	6.67%
Overseas Shares				
Antipodes Partners Global Equity	575.37	3.67%	588.67	3.59%
Baillie Gifford Long Term Global Growth	343.75	2.19%	255.79	1.56%
GQG Emerging Markets ¹	103.81	0.66%	0.00	0.00%
Janus Henderson Global Equity ²	0.00	0.00%	184.61	1.13%
Intermede Global Equities	399.71	2.55%	348.45	2.12%
MFS Global Equity Trust	843.36	5.38%	838.58	5.11%
Neuberger Berman Emerging Markets	153.85	0.98%	260.83	1.59%
Orbis Global Equity Fund	323.61	2.07%	475.08	2.90%
Robeco Global Equities	560.11	3.58%	553.95	3.38%
Skerryvore Emerging Markets ¹	154.60	0.99%	0.00	0.00%
Wellington Global Contrarian Equity	477.61	3.05%	468.19	2.85%
Total	3,935.79	25.12%	3974.15	24.23%
Private Equity				
Advent Private Capital V	0.61	0.00%	0.43	0.00%
Bain Capital Fund IX	0.77	0.00%	1.76	0.01%
Coller International Partners V	0.70	0.00%	0.91	0.01%
HarbourVest Co-Investment Opportunities Fund	49.38	0.32%	31.40	0.19%
HarbourVest Partners IV	87.87	0.56%	95.59	0.58%
Highland Credit Opportunities Fund	5.01	0.03%	4.92	0.03%

CareSuper's investment managers during 2019/20	Investments held by managers			
	2020		2019	
	\$m	% of Fund	\$m	% of Fund
IFM Australian Private Equity Fund III	0.49	0.00%	0.82	0.00%
IFM Australian Private Equity Fund IV	2.50	0.02%	3.89	0.02%
IFM International Private Equity Fund I	0.22	0.00%	0.23	0.00%
IFM International Private Equity Fund II	1.65	0.01%	3.54	0.02%
IFM International Private Equity Fund III	18.15	0.12%	38.18	0.23%
Industry Super Holdings Pty Ltd	35.60	0.23%	35.68	0.22%
LGT Crown Europe Middle Market II	17.63	0.11%	21.04	0.13%
LGT Crown Global Secondaries II	5.19	0.03%	7.01	0.04%
Members Equity Bank Pty Ltd	41.39	0.26%	44.97	0.27%
Partners Group Direct Investments 2012	91.35	0.58%	103.53	0.63%
Partners Group Direct Investments 2016	122.51	0.78%	93.21	0.57%
Partners Group Direct Investments 20191	6.27	0.04%	0.00	0.00%
Partners Group Secondary 2008	3.55	0.02%	5.08	0.03%
Partners Group Secondary 2011	40.75	0.26%	57.86	0.35%
Partners Group Yarra LP	36.39	0.23%	20.57	0.13%
Siguler Guff Collins Fund	66.99	0.43%	41.33	0.25%
Siguler Guff Distressed Opportunities IV	39.51	0.25%	50.56	0.31%
Siguler Guff Small Buyout Opportunities Fund II	73.97	0.47%	83.52	0.51%
Siguler Guff Small Buyout Opportunities Fund III	43.25	0.28%	36.85	0.22%
Siguler Guff Small Buyout Opportunities Fund IV1	6.84	0.04%	0.00	0.00%
Stafford International Timberland VI	20.95	0.13%	21.25	0.13%
Wilshire Private Markets	11.67	0.07%	18.22	0.11%
Wilshire Private Markets Asia No. 2	1.29	0.01%	1.47	0.01%
Total	832.45	5.31%	823.81	5.02%
Sustainable Australian Shares				
Alphinity Sustainable Shares	57.72	0.37%	60.09	0.37%
DNR Socially Responsible Australian Equities	33.40	0.21%	35.13	0.21%
Total	91.13	0.58%	95.23	0.58%
Sustainable Overseas Shares				
Baillie Gifford Positive Change	15.29	0.10%	10.06	0.06%
Impax Asset Management	36.32	0.23%	33.94	0.21%
Robeco Sustainable Global Equities	50.00	0.32%	49.28	0.30%
Total	101.61	0.65%	93.27	0.57%
	15,665.73		16,404.41	

1 Appointed/added during 2019/20.

2 Terminated during 2019/20.

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

4 Investment being wound down. Small residual balance remaining.

5 Investment wind down complete. All distributions received.

Figures exclude derivative positions. Percentages may not sum to totals shown due to rounding.

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

Percentages may not sum to totals shown due to rounding.

Our major holdings

CareSuper invests around \$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 2020 are set out in the tables below.

AUSTRALIAN SHARES

Security	% of Asset class	% of Balanced (MySuper) Option
BHP Group Ltd	5.85%	1.23%
CSL Ltd	5.27%	1.11%
Commonwealth Bank of Australia	5.14%	1.08%
Westpac Banking Corporation	3.53%	0.74%
National Australia Bank Ltd	3.00%	0.63%
Woolworths Group Ltd	2.68%	0.56%
Telstra Corporation Ltd	2.58%	0.54%
Australian and New Zealand Banking Group Ltd	2.34%	0.49%
Origin Energy Ltd	2.24%	0.47%
Coles Group Ltd	2.21%	0.47%
Rio Tinto Ltd	2.03%	0.43%
Wesfarmers Ltd	1.70%	0.36%
Amcors Limited	1.58%	0.33%
Aurizon Holdings Ltd	1.54%	0.32%
Newcrest Mining Ltd	1.48%	0.31%
Incitec Pivot Ltd	1.39%	0.29%
Lendlease Group	1.30%	0.27%
QBE Insurance Group Ltd	1.28%	0.27%
Alumina Ltd	1.22%	0.26%
Macquarie Group Ltd	1.21%	0.26%
Total of asset class	49.58%	10.44%

OVERSEAS SHARES

Security	% of Asset class	% of Balanced (MySuper) Option
Facebook inc	1.94%	0.53%
Alibaba Group	1.91%	0.52%
Tencent Holdings Ltd	1.55%	0.42%
Alphabet Inc	1.24%	0.34%
Samsung Electronics Co Ltd	1.19%	0.33%
Amazon.com Inc	1.19%	0.32%
Roche Holding AG	1.17%	0.32%
Linde plc	1.12%	0.30%
Comcast Corp	1.11%	0.30%
Netease Inc	1.08%	0.30%
Nestle SA	1.04%	0.28%
Heineken NV	1.02%	0.28%
Microsoft Corp	1.02%	0.28%
Apple Inc	0.98%	0.27%
Taiwan Semiconductor Manufacturing Co Ltd	0.98%	0.27%
Medtronic plc	0.91%	0.25%
Walt Disney	0.89%	0.24%
Tesla Inc	0.82%	0.22%
Visa Inc	0.82%	0.22%
Accenture Plc	0.79%	0.22%
Total of asset class	22.78%	6.20%

PROPERTY

Location	% of asset class
ACT	2.5%
NSW	45.7%
QLD	18.5%
SA	1.9%
VIC	25.2%
WA	6.2%
Other	0.0%
Total	100.00%
Sector	% of asset class
Retail	30.5%
Office	62.2%
Industrial	6.6%
Other	0.7%
Total	100.00%

INFRASTRUCTURE

Location	% of assets
Overseas	25.0%
NSW	24.5%
VIC	23.6%
QLD	7.4%
WA	11.6%
TAS	0.0%
NT	1.2%
SA	1.7%
ACT	2.5%
Other	0.0%
Multiple	0.0%
Listed	0.0%
Airports	38.2%
Seaports	8.2%
Other Economic	5.9%
Utilities	25.1%
Social	12.8%
Communications	9.6%
Social Infrastructure	11.50%
Other	7.40%
Cash	6.80%
Total	100.00%

FIXED INTEREST

Government bonds / Cash			Non-government			
Australia	Overseas	Total	Australia	Overseas	Sub-total	Total
22.73%	23.23%	45.96%	35.27%	18.73%	54.00%	100%
Credit rating						
AAA	AA	A	BBB	Below BBB	Total	
41.26%	15.54%	17.19%	21.91%	4.07%	100%	

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

Insurance

Insurance philosophy

We provide a competitive and affordable insurance offering to eligible members, to provide a safety net if they are unable to work due to serious illness or injury or in the event of their death.

Our members are saving for their future lifestyles – but superannuation can also protect them now. Insurance is a valuable component of super, designed to provide a benefit to eligible members and their beneficiaries if the member dies or becomes incapacitated. Members have access to group rates – often making it more cost effective to hold insurance cover in their super – with fees deducted from their super account. However, standard cover may not be suitable for every eligible member which is why it can be tailored to better suit individual circumstances.

We are committed to:

An insurance design with a competitive and equitable pricing model for insurance fees

Our competitive age and gender-based pricing model helps us deliver value to members at different life stages, while remaining fair and sustainable over the long term.

Fair and personalised approach to insurance claims management

In the unfortunate circumstance of our members or their beneficiaries needing to make an insurance claim, we aim to ensure the claims process is as fair, ethical and straightforward as possible, and that eligible claims are paid in a reasonable timeframe. We will do everything that is reasonable to pursue an insurance claim for members and/or their beneficiaries if the claim has a reasonable prospect of success.

A trusted partnership with our insurer

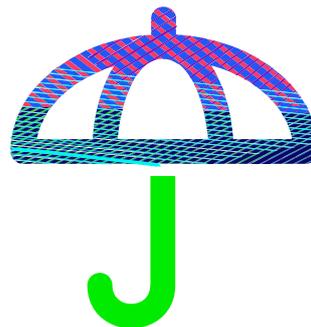
We require our insurer to reflect our members-first ethos, support our service model, and demonstrate alignment to us in their claims philosophy.

HERE'S AN OVERVIEW OF THE INSURANCE CLAIMS PAID TO MEMBERS AND THEIR BENEFICIARIES THIS YEAR.



Number of claims per cover type

- 197 Death
- 263 TPD
- 72 Income protection



Dollars paid in insured benefits to members and their beneficiaries:

\$95m

Our insurance design

In August 2019 we implemented a new insurance design to ensure our insurance cover remains equitable, affordable and fair for members over the long term.

OVERVIEW

The cover is designed to match the typical needs of our members at every age. Gender was also introduced as a pricing factor to reflect the claims experience across all cover types. New death and total and permanent disablement (TPD) cover rates commenced from 1 August 2019 for members in the Employee Plan, Personal Plan and for certain corporate insurance arrangement (CIA) members.

CHANGES TO TERMINAL ILLNESS PAYMENTS

Members diagnosed with a terminal illness whose life expectancy is less than 24 months can apply to withdraw all or part of their account balance and claim a terminal illness benefit (if applicable). This timeframe has been extended from 12 months and may assist terminally ill members fund important medical, family or other costs.

INTRODUCTION OF A PARENTAL LEAVE INSURANCE FEE WAIVER

Members on employer-approved parental leave can now request a waiver of their insurance fees for death, TPD and income protection cover for up to 12 months. This means they will remain covered as long as they remain eligible for cover during this period and cover doesn't cease for another reason (e.g. if the super account is closed or transferred).

How we're educating members and employers

We're committed to improving education around insurance in super as part of our commitment to the Insurance in Superannuation Code of Practice and have this year built on existing initiatives to inform and educate members and employers.

This includes:

- The development of articles and website content aimed at informing members and employers around key insurance changes
- Reviewing our member communications and disclosure material to ensure it clearly articulates key information about insurance cover, how to make changes, and the claims process.
- Inclusion of insurance-related content in the Education Hub at caresuper.com.au/tools-resources – enabling members to learn about insurance cover in super in their own time and at their own pace.

We are currently making enhancements to MemberOnline to improve the member experience and ensure a tailored experience at for all members, which will be implemented by March 2021.

More information

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.



Dated as at 30 June 2020

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.

Financial position as at 30 June 2020

	2020 \$'000	2019 \$'000
Investments	24,347,887	19,718,862
Cash and cash equivalents	47,446	45,955
Other assets	66,446	82,351
Total assets	24,461,779	19,847,168
Liabilities		
Liabilities	8,239,051	3,534,661
Net assets available for member benefits	16,222,728	16,312,507
Less: Member benefits	16,112,467	16,146,940
Net assets	110,261	165,567
Equity		
General reserve	69,607	125,868
Operational risk reserve	40,654	39,699
Total equity	110,261	165,567

Income statement for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
Revenue		
Investment income	(28,354)	1,090,661
Other income	1,477	1,217
Total revenue	(26,877)	1,091,878
Expenses		
Investments	(66,257)	50,699
Administration and operating	(55,285)	55,504
Total expenses	(121,542)	106,203
Income tax (expense)/benefit	(57,321)	17,396
Results after income tax	(91,098)	968,279
Less net benefits allocated to members	35,792	971,940
Operating result after income tax	(55,306)	(3,661)

Changes in member benefits for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
Opening balance of member benefits	16,146,940	14,651,061
Add:		
Contributions	994,929	962,158
Transfers in	449,299	534,166
Net investment earnings	6,075	1,017,137
Insurance proceeds	99,018	
Less:		
Benefits paid	1,345,252	861,404
Administration and other fees	41,867	45,198
Insurance premiums	81,029	87,216
Tax	115,646	106,228
Closing balance of member benefits	16,112,467	16,146,940

Financial statements for both CareSuper (fund) and CARE Super Pty Ltd (trustee) are available on our website at caresuper.com.au/governance. For a printed copy of the financial statements, call us on 1300 360 149.

Additional information for members

ENQUIRIES AND COMPLAINTS

We take members' concerns seriously and investigate all enquiries and complaints to try and resolve them quickly. We'll do our best to answer complaints 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. As part of our commitment to the Insurance in Superannuation Code of Practice (ICOP), our timeframe to provide responses to insurance-related complaints will reduce from 90 days to 45 days from 1 January 2021.

Where we have been able to resolve it over the phone within five days, we generally won't write to members unless they 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 members can also use this contact form.

Alternatively, members can take the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an independent and impartial ombudsman and is a free service.

TEMPORARY RESIDENTS

We are required to pay the super of former temporary residents to the 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 for more information.

SIGNIFICANT EVENT NOTICES

CareSuper is required to notify members of any material change to the Fund that will affect their super or pension account. This includes but is not limited to changes to fees or costs or to product design. The information must be provided within a 'significant event notice' (SEN) at least 30 days prior to the change occurring. The SEN must clearly outline the change and the effect it may have on the member's account.

You can see a summary of the SENs we've issued to affected members over the last two years at caresuper.com.au/governance.

YOUR CONTACT DETAILS

It's important we have the correct contact details for our members for when we need to send them important information, including their annual statement. Members can check and update their details in the 'Personal details' section of MemberOnline or by contacting us.

To update your details or see the last payment to your super account login to MemberOnline at caresuper.com.au/login.

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

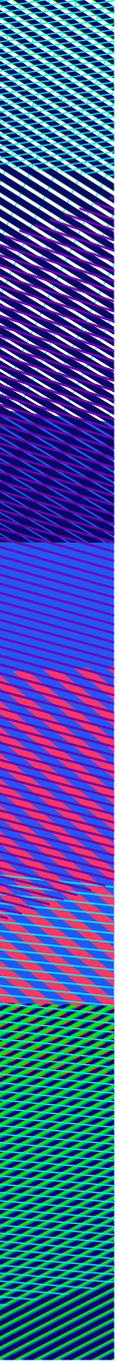
caresuper.com.au/getintouch

CareSuper
Locked Bag 20019
Melbourne, VIC 3001

OUR REGISTERED ADDRESS

Level 6, 447 Collins Street, Melbourne VIC 3000





1300 360 149 (Australia)



caresuper.com.au/getintouch



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