

ON THE MONEY

A photograph of a young couple. A woman with dark hair and pink-rimmed glasses is in the foreground, laughing joyfully. Behind her, a man with a beard and glasses is also smiling. They appear to be looking at a laptop screen together.

Why it
pays to be a
CareSuper
member

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AUSTRALIAN ROAD TRIP

A word from our CEO

With the containment of the spread of COVID-19 in Australia and the rollout of vaccines globally, we're beginning to feel a sense of optimism for the future and an increased willingness to embrace our 'new normal'.



While the availability of vaccines is a wonderful development in the fight against COVID-19, it's evident the pandemic is far from over. Despite this, we've observed share markets make a strong recovery from the lows experienced in 2020. Our Balanced 'MySuper' option returned 11.74% for the financial year to date to 31 March 2021, a pleasing result. By contrast, our Cash option has yielded minimal returns, a reflection of the current low-interest rate environment. You can see the returns for all our investment options for the financial year to date and read more about Cash returns on page 4.

We have a strong track record of protecting members' retirement savings during downturns and helping them to achieve their ultimate post-work lifestyle. And that's just one of the benefits of being a CareSuper member – we've outlined more benefits available on page 6.

With international travel off the table for a while yet, more Australians are hitting the road and holidaying closer to home. We've shared our tips for preparing for an Australian road trip on page 8.

This month we also celebrated Mother's Day. For the last 13 years, we've supported the Mother's Day Classic – a fun run/walk that raises much-needed funds for breast cancer research. And for the seventh year in a row, I also participated in the Mother's Day Classic Corporate Challenge. You can find out more at caresuper.com.au/mdc2021.

The Federal Government proposed some reforms for superannuation in its 2020 budget announcements, to come into effect on 1 July 2021. At the time of writing, these changes are yet to be legislated.

These changes include:

- Enabling your super account to follow you when you change jobs, known as 'account stapling'

- An annual performance test, conducted by the Australian Prudential Regulation Authority (APRA), to identify underperforming super products. Super funds that fail the test will have to alert members to their underperformance and make improvements
- Helping you to make more informed choices about your super investments, and
- Ensuring super funds act in the best financial interests of members.

If you have any questions about how these changes might affect you, please contact us. Remember, we're always here to help.

I hope you enjoy this edition of **On the Money** and thank you for trusting us with your super savings.

Julie Lander
CareSuper CEO

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Find and combine your super

Nan's relish was meant to be thrifty, little did she know it's sustainable too.



Just like homemade relish, our simple tips for being more sustainable will also save you money.

SKIP THE PLASTIC WHEN SHOPPING

We're all on top of taking our own bags to the grocery store, but this can also extend to bags and containers for fruit and vegetables. Do you have a plastic punnet floating around? Give it a quick wash and remove the barcode. Now you've got the perfect container to reuse for small loose fruit and veg like beans and cherries.

KEEP IT LOCAL

Where possible, seek one-of-a-kind (not mass-produced) items through local small businesses or online stores and shop for in-season produce from your local market. You can often get fruit and veg cheaper and, on top of that, it's generally better for the environment and reduces overall food mileage.

SPREAD THE SUSTAINABILITY TO YOUR SUPER

If you're on board with making sustainable choices in your everyday life, here's some quick tips to help spread the sustainability to your super:



Consider consolidating your super into one account. This means you'll have one set of fees, all your super savings in one place and less paperwork across multiple accounts.



Check your communication preferences in MemberOnline. Make sure you're set to email/online for all correspondence. This saves paper and is more secure.



Take a look at our award-winning Sustainable Balanced option.* While we already consider environmental, social and governance criteria across all our investment options and as a fund we've been certified Carbon Neutral by the Australian Government through Climate Active, the Sustainable Balanced option has an enhanced focus on these features and aligns with several of the UN's Sustainable Development goals.

If you're considering switching to the Sustainable Balanced option, you can speak with one of our financial planners to discuss whether this is the right investment option for your super. Advice over the phone is included in your membership.[^]



Book a call-back from one of our planners at caresuper.com.au/advice.

*Lonssec Investment Option award winner 2021.

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

Investment update

CASH RETURNS – THE ‘NEW NORMAL’

While many members are invested in our Balanced (MySuper) option, the current low interest rate environment could affect your super account balance if you invest a large portion of your retirement savings in the Cash option.

The Reserve Bank of Australia (RBA) cut its official cash rate to a record low of 0.10% late last year. Combined with other measures, the near zero rate was designed to boost economic activity and support the economy in response to the global pandemic. As market interest rates are derived from the official cash rate, this has significantly changed expectations for cash returns.

HOW THE ENVIRONMENT AFFECTS THE CASH OPTION

Given the low interest rate settings from the RBA, returns for our Cash option are expected to move lower. And, while we expect the investment return for the Cash option to be positive, there is the real possibility that you could see a reduction in your super account balance after all fees and costs are deducted.

We recognise that extremely low interest rates on cash may not match your expectations, but these ‘new normal’ conditions could be with us for a while given that the RBA has committed to maintaining its low cash rate for at least three years.* This also means that there is a very high risk that investing solely in the Cash option now could result in your super savings not being able to keep up with inflation.

THE ROLE OF CASH AND WHAT THIS MEANS FOR YOU

The Cash option is designed to preserve your capital and provide stable returns. So, despite these low return expectations, the cash asset class may continue to serve a purpose in your super. Cash is often combined with other investments to provide liquidity, income, reduce volatility, and provide diversification.

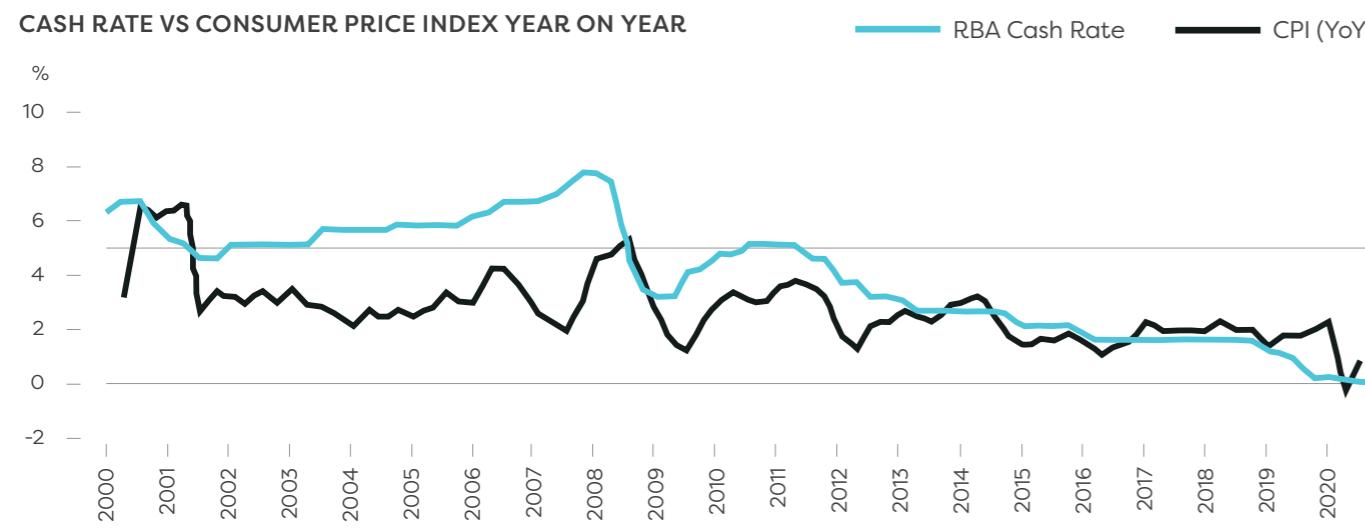
A change in circumstances such as that caused by the low interest rate environment can be a good time for reviewing your investment strategy. The investment options that were right for you 10 years ago might not be right for you now.

As a starting point, you might want to consider your investment timeframe. Is it short or long term? If you have a long-term investment horizon, consider whether the current low returns on this option will meet your investment return objectives. Our Balanced (MySuper) option, for example, has an investment timeframe of five years or more. Meanwhile, it's one year or less for our Cash option. Other important things to consider include your retirement goals and risk tolerance.

*Source:
www.rba.gov.au/media-releases/2021/mr-21-03.html

RBA CASH RATE WON’T COVER INFLATION.

You can see from the chart below that the current cash rate is near zero, while inflation is around 1%.



Source: Bloomberg



Suzanne Branton
Chief Investment Officer

WHERE TO GET HELP IF YOU NEED IT

CareSuper offers a number of different investment options for you to choose from. Investing in one of our Managed options or in a mix of our Asset class options can help reduce the risk associated with investing in a single asset class. To learn more about these options, visit caresuper.com.au/investments.

Getting professional advice can help you make an informed decision about your super investments and achieve your goals. As a CareSuper member you have access to advice over the phone as part of your membership.^ If you would like to book an appointment with one of our financial planners visit caresuper.com.au/advice or call us on 1300 360 149.



HERE'S HOW CARESUPER PERFORMED TO 31 MARCH 2021*

RETURNS FOR SUPER MEMBERS (ACCUMULATION) TO 31 MARCH 2021*

Managed option	Financial year to date (%)	1 year (%)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)
Balanced	11.74	18.71	8.70	8.18	8.54
Growth	14.59	23.51	9.85	8.91	9.31
Alternative Growth	10.61	18.05	8.27	7.78	8.32
Sustainable Balanced	11.09	18.50	8.75	8.02	8.37
Conservative Balanced	8.23	14.30	6.43	6.10	6.76
Capital Stable	5.48	9.68	5.15	5.03	5.77
Capital Guaranteed	0.29	0.51	1.50	1.81	1.80
Asset class option	Financial year to date (%)	1 year (%)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)
Overseas Shares	21.45	33.67	13.16	11.99	12.29
Australian Shares	18.44	35.78	10.33	8.06	8.32
Direct Property	3.11	5.43	8.14	9.06	8.54
Fixed Interest	0.14	2.15	2.70	3.28	4.50
Cash	0.13	0.32	1.60	1.87	2.41

RETURNS FOR PENSION MEMBERS TO 31 MARCH 2021*

Managed option	Financial year to date (%)	1 year (%)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)
Balanced	12.86	20.54	9.21	8.76	9.29
Growth	15.89	25.75	10.46	9.62	10.16
Alternative Growth	11.73	20.21	8.91	8.45	9.03
Sustainable Balanced	12.54	20.46	9.39	8.74	9.32
Conservative Balanced	9.06	16.00	7.02	6.66	7.50
Capital Stable	6.05	10.92	5.61	5.57	6.42
Capital Guaranteed	0.38	0.65	1.81	2.16	2.06
Asset class option	Financial year to date (%)	1 year (%)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)
Overseas Shares	22.96	36.32	14.58	13.17	13.67
Australian Shares	22.68	43.25	11.92	9.29	9.61
Direct Property	4.14	6.42	9.10	10.15	9.60
Fixed Interest	0.27	2.56	3.16	3.81	5.17
Cash	0.22	0.40	1.85	2.17	2.83

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

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

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

Why it pays to be a member

You're in good hands with CareSuper

As an industry fund, we're run only to benefit our members – no one else. And with 35 years of experience, we have a strong track record of protecting members' retirement savings during downturns and helping them to achieve their ultimate after-work lifestyles. How do we achieve this? We use an actively managed and long-term strategy, driven by a proven investment philosophy. Find out more about how we invest your super at caresuper.com.au/howweinvest.

SUPPORTING MEMBERS' CHOICES

No two members are the same. That's why we offer a range of investment options, each with different targets for returns and levels of investment risk.

As a member you can choose which option(s) your super is invested in based on your needs, goals and attitude to risk. We also offer a Direct Investment option, so you can get hands-on about choosing where part of your super is invested. And an award-winning Sustainable Balanced option – see page 3 for more.

HELPING YOU PLAN YOUR FINANCIAL FUTURE

We offer a range of advice services specifically tailored to the needs of our unique members. Our financial advice offering aligns with our profit for members philosophy, meaning our planners receive no incentives to provide advice.

Advice about your super, including investments, insurance and super contributions, is available over the phone as part of your membership – at no extra cost.* If you need help beyond super, our planners can help you consider your whole financial situation, including any other assets you have, any debts and goals.^

We can also provide you with complex advice for more intricate financial arrangements.[#]

For more details on the types of financial advice we offer, visit caresuper.com.au/advice.

WE'VE GOT YOU COVERED

Cost-effective insurance is one of the most important ways we can help look after you. We offer a range of insurance cover to protect you and your loved ones if something unexpected happens. Our insurance offering is designed with our members in mind, which means we've been able to negotiate competitive fees with our insurer which reflects our membership profile.

As a CareSuper member you have access to:

- Competitive insurance cover for death and disablement
- Optional income protection insurance
- The option to tailor your level of cover
- The ability to transfer your existing cover from another fund.^{**}

All cover is subject to meeting eligibility conditions. You can review your cover at any time in MemberOnline and you'll find full details in our **Insurance Guide**, available at caresuper.com.au/insuranceguide.

SUPER EDUCATION

When it comes to your super, it's important to be informed, whatever stage of life you're at. That's why we offer webinars and seminars on super and finance. Topics include super updates, investing, growing your super, insurance, wealth creation and retirement planning.

We also offer online resources (like videos, calculators and interactive lessons) at no extra cost, so you can learn more about your super and plan the future you want.



Added extras for members



EVERYDAY INSURANCE

To help you get the right cover for your situation and your budget, we've used our bargaining power to arrange some competitive everyday insurance offerings. As a CareSuper member you can access health, car, home, landlord and travel insurance through our partners.



HOME LOANS AND BANKING

We're focused on super, but we know access to discounts and special offers on banking products is important to our members. With your CareSuper membership you can access ME Bank's range of low-cost, simple and straightforward banking products, including discounted home loans.



ONLINE TAX RETURNS

Everyone wants to make the most of their tax return. We've teamed up with Findex, one of Australia's largest financial services businesses, to provide you with discounted access to an online tax return service. It includes support by a registered tax agent and a same-day tax refund of up to \$1,000.***

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

[#]Advice is provided by one of our financial planners who are Authorised Representatives of Industry Funds Services Limited (IFS). IFS is responsible for any advice given to you by its Authorised Representatives. Industry Fund Services Limited ABN 54 007 016 195 AFSL 232514.

^{**}If you require more complex personal financial advice, our financial planners, in the course of their initial appointment with you, may refer you to an external advice service provided by Australian Unity Personal Financial Services Limited (ABN 26 098 725 145, AFSL 234459).

[^]Subject to insurers approval.

CARE Super Pty Ltd does not in any way recommend or endorse that these products or services are suitable for you, so you may wish to seek independent advice before deciding to access any of these products or services. Please obtain a product disclosure statement from the service provider.



Find out more about how you can get the most out of your CareSuper membership at caresuper.com.au/benefits.

***Only for tax returns completed by 4pm AEST. If your refund is \$1,000 or under, Findex will transfer you the whole amount of your refund on the same day that you submit your return. If your refund is over \$1,000, Findex will transfer you \$1,000 on the same day that you submit your return, and the balance once Findex receives it from the ATO. Funds transferred to your bank account are subject to your bank's processing times and may take up to 1–2 business days to complete. Advanced refund or deduct fee may not be available to clients with a debt to any government department or to Findex or clients who are unable to provide adequate documentation to support their identity and claims.

I thought I'd be road-tripping at 70. Yet here I am driving from the Big Banana to the Big Pineapple at 35.

This year we'll see more Aussies skipping the plane trip and hitting the road. Whether you plan on exploring hidden gems in your home state or ticking off some bucket list destinations a little further afield, it's a good idea to get travel smart so you can truly unwind after a turbulent 2020.

CREATE A BUDGET

Road trips can add up, fast. Petrol, accommodation, toll roads, meals, tourist entry fees... the list goes on. Whether you're planning a camping adventure, following the gourmet trail, or anything in between, setting some spending limits can help you enjoy your last stop as much as your first. Moneysmart's Budget planner can help. Go to moneysmart.gov.au/budgeting.

HARNESS A FEW THRIFTY TRICKS

A lot of driving means a lot of petrol. Be prepared with fuel apps that can help you find the cheapest local prices, use fuel vouchers where you can, and if you're hiring a car, choose a fuel-efficient model to save on costs. Drive less and explore more. Stretch your legs in the national parks, spend time sightseeing in the small towns along the way, relax at the beach, or lay low and get through a few pages of your chosen holiday read.

Also, if you can avoid peak seasons and public holidays, it will do wonders for your hip pocket.

PLAN WHERE YOU CAN

Get your car serviced before you head off to avoid breaking down 45 minutes from that last small town you can't quite recall the name of. An engine, oil, tyre and filter check can mean the difference between happy travel memories and a holiday horror story.

Use your home WiFi to pre-download any apps you plan to use, or podcasts and music that will boost the mood on your trip. This will help avoid extra data charges and getting stuck without mobile reception when you really need info, or something to keep you (or the kids) entertained.

It's also a good idea to plan and book – or at least have an idea of – the affordable accommodation or camping options in each city or town you're visiting. While admittedly tricky in the current environment, it might mean the difference between forking out for five stars if you can only really afford three stars.

MAKE SURE YOUR MOTORING MEMBERSHIP AND INSURANCES ARE IN ORDER

Will your roadside assistance membership tow you if you get stuck an hour from the closest town? Paying a little extra ahead of your road trip might save you hundreds down the track.

Lastly, life doesn't always go to plan. But having the right insurances in place can help safeguard your trip. As a CareSuper member, you can access the advantage of our group rates and third-party discounts on car and travel insurance. They deliver savings you wouldn't get if you were buying direct. See caresuper.com.au/benefits for details.



Put your remaining holiday dollars to work

Allocated money in your budget for travel that you don't plan on spending this year? Why not consider contributing extra to your super account for a better life after work. Find out more at caresuper.com.au/growyoursuper.

Already hung up your work boots? It's a good idea to speak with a financial planner about the best options for your spare change. Advice about your CareSuper Pension is included in your membership.* Visit caresuper.com.au/advice to book a call back with a financial planner before your next adventure.

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CARE Super Pty Ltd does not in any way recommend or endorse that these products or services are suitable for you, so you may wish to seek independent advice before deciding to access any of these products or services. Please obtain a product disclosure statement from the service provider.





Get a super boost with a Government co-contribution

See if you can cash in.

If you put a little bit of extra money in your super before the end of this financial year (and you're eligible) your super will receive a boost through the Government's super co-contribution scheme.

CO-CONTRIBUTION BASICS

Saving for life after work can be challenging. The Government recognises this and offers a co-contribution of up to \$500 for low- and middle-income earners who put a little extra into their super account.

ELIGIBILITY

You might be eligible for a super co-contribution of up to \$500 if:

- Your total income is less than \$54,837 (for the 2020/21 financial year) and you make a personal contribution to your super
- 10% or more of your income comes from employment or business-related activities
- CareSuper holds your tax file number (TFN) on file. You're unable to make a personal contribution without a TFN on file
- You have a total super balance of less than the transfer balance cap at 30 June of the previous financial year. The cap is \$1.6 million for the 2020/21 financial year (increasing to \$1.7 million on 1 July 2021).

And during the 2020/21 financial year, you:

- Were under 71 years of age (as at 30 June 2021)
- Didn't hold a temporary visa
- Didn't exceed your non-concessional (after-tax) contributions cap
- Lodged your tax return.

If you meet the criteria, the co-contribution will be paid automatically to your super fund once you've lodged your tax return – you don't need to do anything.

TIMING IS KEY

Make sure you submit your eligible personal contribution via BPAY before 25 June 2021 to ensure it's received by 30 June 2021. If you intend to make a before-tax contribution through your employer, your employer will need to submit the payment and the remittance by 23 June 2021. Once we receive your personal contribution and the necessary documentation is provided, your personal contribution will generally appear in your CareSuper account within three business days.

The Government co-contribution will be visible in your super account after you've submitted your 2020/21 tax return, provided you meet the eligibility requirements.

Visit caresuper.com.au/contribution to learn more about your eligibility to receive a Government co-contribution and making personal super contributions.

KEEP THE CAPS IN MIND

There are annual limits on the amount you can contribute to super, referred to as 'contribution caps'. For concessional (before-tax) contributions the limit is \$25,000 and for non-concessional (after-tax) contributions it's \$100,000 for financial year 2020/21. Note, these caps will be increasing in financial year 2021/22. Keep these caps in mind when making extra super contributions because if you exceed the cap you might have to pay more tax.

For more information visit caresuper.com.au/knowyourlimits.

WE'RE HERE TO HELP

If you have questions about making extra contributions to your super, call us on **1300 360 149** and we'll talk you through it.

Combining my super accounts has given me as much inner peace as Marie Kondo-ing my kitchen pantry.

If you've had multiple jobs, you could be in the 27% of Australians who have more than one super account.*

Just like decluttering your home, having all your super in one place could give you inner peace too. It only takes a few minutes to see if you have other super accounts out there. You can search for any lost super through MemberOnline, which scans the Australian Tax Office database in under two minutes.

THE UPSIDE OF CONSOLIDATING

Combining your super into one account means:

- You may have more money for your future self because you won't be paying multiple sets of fees.
- Less admin for you – just one account avoids extra paperwork.
- You can keep track of your super savings more easily.

BRING YOUR SUPER TO A TOP PERFORMER

According to SuperRatings, we're one of Australia's top performing super funds. Over 10 years to 31 December 2020, our Balanced (MySuper) option is rated as a **top performer for investment returns** delivering 8.5% per year, on average, over the past 10 years. This is well ahead of the industry median of 7.5% per year.[^]

You can find and combine your super in 3 simple steps

1 Log in to MemberOnline to begin your search.

2 Select 'Find my super'.

3 Start your search. We'll tell you how many accounts we find (if any), and you decide how much you want to transfer in to your CareSuper account. Simple!



If you haven't registered for **MemberOnline** it's easy to get started – go to caresuper.com.au/login. Alternatively, call us on **1300 360 149** and we can assist you to consolidate your super over the phone.



*Your Future, Your Super – Reforms to make your super work harder for you. October 2020. Treasury.vic.gov.au. Visit <https://treasury.gov.au/sites/default/files/2020-10/p2020super.docx>

[^]SuperRatings Fund Crediting Rate Survey, SR50 Balanced (60-76) Index, December 2020.

Before combining your super into CareSuper you should consider whether this is right for you and check if you will be charged any fees. You should also check the impact on any insurance arrangements (such as loss of insurance) or other benefits.

Past performance is not a reliable indicator of future performance.





Proud sponsor of

Mother's Day Classic 2021

To find out more visit
caresuper.com.au/mdc2021



Get in touch

- Call** 1300 360 149
Visit caresuper.com.au
Contact caresuper.com.au/getintouch
Write CareSuper
Locked Bag 20019
Melbourne VIC 3001

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Grange Offset is PEFC certified. Manufactured in facilities with ISO 14001 EMS certification and made elemental chlorine free with ISO 9706 Longlife certification.

