

Our year in review

# Annual Report 2021



**Milena**  
Member since 2010



**In the spirit of reconciliation, CareSuper acknowledges the Wurundjeri Woi-wurrung People as the Traditional Owners of the Melbourne central business district where our head office is located. We pay our respects to their Elders past and present. We extend that respect to all Aboriginal and Torres Strait Islander Peoples.**

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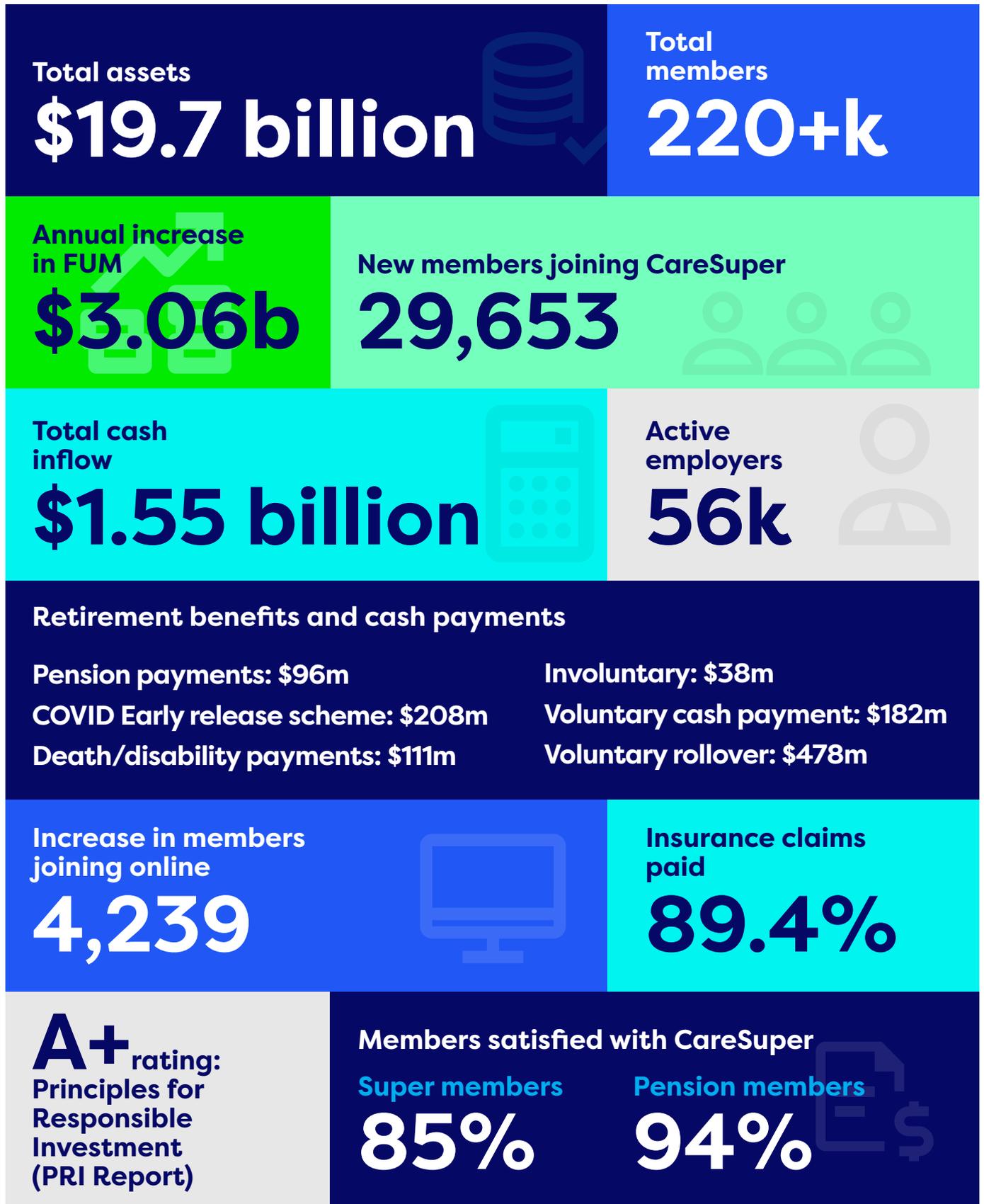
Disclaimer: The information contained in this Annual Report is about CARE Super and is not intended as financial advice. It does not take into account specific needs, so you should look at your own personal position, objectives and requirements before taking any action. Past performance is not a reliable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

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# Our year in review

Key fund statistics and highlights – year to 30 June 2021





# A message from our Chair

On behalf of the board and the executive management team, it's our pleasure to present our Annual Report for the year to 30 June 2021.

‘

Our commitment is to continue delivering beneficial outcomes to our members and employers, and playing our part in supporting and advocating for those measures we believe will benefit our members and the broader Australian community.

’

**Terry Wetherall AM**  
CareSuper Chair

## CHAIR'S MESSAGE

As an industry super fund, we are committed to holding our member's interests first and foremost, and aim to provide the highest levels of good governance and transparency. Our key purpose is to enable our members to experience a comfortable and dignified retirement. This requires operating at a high level of flexibility at all stages of the investment cycle to achieve the highest risk-adjusted returns that maximise member's savings.

I thank our people at CareSuper and the directors for their dedication throughout a very difficult year, in ensuring that the interests of our members remained at the forefront of everything we do. To our members, we appreciate your continual support as we strive to provide continual improvement in our services to you.

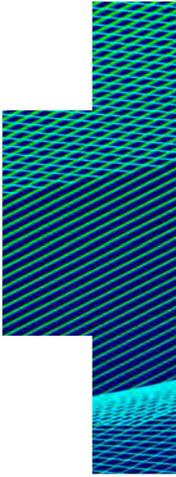
The Board has an ongoing focus in ensuring we have the appropriate mix of skills and expertise to be able to deliver on the fund's strategic priorities.

During the year we farewelled Sascha Peldova-McLelland and thanked her for her contributions as a member director over the past 3 years. Thereafter, we welcomed Vanessa Seagrove who provides extensive experience in strategy, planning and advocacy.

A significant event in the last year was the first legislated Annual Member Meeting (AMM) held virtually in December 2020. Although CareSuper had for many years held annual briefings for members, this was an opportunity to discuss performance and strategies that will drive the success of the fund into the future as well as providing a forum to respond to members' questions. Our next AMM will be held virtually on 3 March 2022 and we look forward again to your participation.

Superannuation experienced significant attention and change throughout the year including the following events:

- The superannuation guarantee increased to 10% from 1 July 2021, the first increase since 2014. We continue to support the legislated increase to 12% by 2025 so that superannuation can continue to serve its purpose in providing greater financial security in retirement for Australians
- Super contribution limits also increased from 1 July 2021 with the annual cap for before tax contributions increasing from \$25,000 to \$27,500, and the annual cap for after-tax contributions increasing from \$100,000 to \$110,000
- The amount of tax that can be transferred from a super account into a pension account, the transfer balance cap, was indexed up from \$1.6 million to \$1.7 million for eligible members.



We are committed to continuous improvement at fund level and implementing legislative change to play our part in ensuring the Australian super system remains one of the best globally.

To ensure that CareSuper remains abreast of the issues and challenges that face the superannuation sector, the fund holds membership and directly participates in a number of entities involved in the industry including the Australian Institute of Superannuation Trustees (AIST), the Australian Council of Superannuation Investors (ACSI) and Industry Super Australia (ISA). These peak industry bodies provide assistance in ensuring that our obligation in working towards the best financial interests of members is achieved.

As superannuation balances grow, Australians recognise the importance of superannuation to their future financial wellbeing. After all that is its purpose. However, there is little doubt that superannuation has experienced a volatile year in regard to political scrutiny and legislative change.

The most significant of these came with the introduction of Your Future, Your Super (YFYS) legislation which commenced on 1 July 2021.

Changes included:

- “Stapling” (from 1 November 2021) where a member’s super will follow them throughout their working life
- An annual performance test assessed by APRA. As anticipated, CareSuper’s MySuper option passed the performance test for 2021
- The “Your Super” tool available through the ATO which allows access to performance of funds, and
- An identifiable duty by trustees to ensure that decisions made by the fund are in the members’ best financial interests.

Our fund will always support changes that support the interests of our members.

Members would also note the increasing merger activity occurring within the sector. CareSuper is not averse to such a discussion, but any move towards a merger would need to provide a distinctive value proposition that leads towards the best financial interests of members.

Our commitment is to continue delivering beneficial outcomes to our members and employers, and playing our part in supporting and advocating for those measures we believe will benefit our members and the broader Australian community.

A significant decision made during 2021 was committing the fund towards achieving net zero carbon emissions in the investment portfolio by 2050. This aligns to our fiduciary duty in managing the financial risks relating to climate change, and meeting our members’ expectations. Equally, not doing so could have adverse consequences for long-term investment returns as the global economy adjusts to a lower emissions environment.

For those members and employers who have experienced personal difficulties over the past 18 months we hope that those times are coming to an end. Together we can look optimistically towards a future that will see the economy opening up with resulting opportunities.

Finally, this will be my final report to members as my term as chair of the fund concludes at the end of March 2022. This time has been one of the most rewarding in my professional career and I thank the staff and directors, present and past, who have provided me with the highest level of support to allow me to fill this role to the best of my ability. It has been a true privilege to have served the fund and I thank you have been grateful for this opportunity.



# A message from our Chief Executive Officer

‘

Our goal is to deliver consistent, strong investment returns for members – smoothing the ride with lower risk and volatility.

’

**Julie Lander**

CareSuper Chief Executive Officer

This year has again showcased the resilience of the Australian community as well as the economy.

As a super fund, we have not been immune to challenges. Our staff and service providers have worked hard to continually support our members and employers to weather the effects of the pandemic and lockdowns, and I thank them for the care and commitment they've shown in doing so.

## **STRONG RETURNS OVER THE LONG TERM**

We aim to be our members' super fund for life. Given that long term objective, we adopt an investment strategy that strives to smooth out the ride with lower risk and volatility. It's our active approach that we believe has led to our strong, long-term performance. Our Balanced (MySuper) option has returned an average of 7.84% p.a. over 20 years, placing us in the top three funds for performance over that timeframe.\*

**Pleasingly, the 2020/21 financial year is the 12th year in a row our Balanced option has delivered a positive return, achieving 17.49%. This is also the highest annual return in our history.**

This outstanding return was achieved against the backdrop of strong share market performance, economic uncertainty following the gradual wind-back of government stimulus measures, and several legislative and policy changes. You can read more about these changes on page 17.

## **CARESUPER HAS BEEN PART OF AUSTRALIA'S SUPERANNUATION LANDSCAPE FOR 35 YEARS**

During that time, we've played an important role helping our professionally minded members to achieve better outcomes for their future. As an industry super fund, we can focus solely on the expectations of our members, not shareholders.

Despite potential ups and downs, I hope you can find reassurance in the long-term focus of superannuation, and our unwavering purpose to maximise secure and sustainable retirement funds for your post-work lifestyle.

## **DELIVERING OUR STRATEGY**

Our team has continued to deliver legislative change projects and on our strategic priorities and initiatives which support our

business strategy and ultimately aim to improve member outcomes and services for employers. In this context, we published our first member outcomes assessment available at [caresuper.com.au/memberoutcomesassessment](https://caresuper.com.au/memberoutcomesassessment). You can read about our progress and how we've tracked against our business strategy on page 19.

In a year with strong industry competition as well as increased merger activity, CareSuper remains a sustainable and highly regarded super fund. Funds under management (FUM) increased to \$19.7b, more than 29,000 new members joined during the year and active membership increased in absolute terms. These key indicators demonstrate our focus on serving our members well and building a strong fund for long-term success.

### **EVOLVING TO ADDRESS CHALLENGES AND MAXIMISE OPPORTUNITIES**

To support our growth, engagement, and retention objectives, we established dedicated task forces to tackle some of the key challenges we're facing and maximise opportunities that arise. Our Stapling Super taskforce focuses on the government's Your Future, Your Super (YFYS) reforms, our Engagement

and Retention (EaR) taskforce has implemented several key initiatives to help us connect with and retain members, and our Aligned for Growth taskforce has established a strategy, underpinned by a set of objectives and activities, to increase FUM and membership.

We're now turning our attention to addressing the requirements of the Retirement Income Covenant, taking effect from 1 July 2022. We'll be focusing our efforts on articulating our retirement income strategy for members who are retired and those approaching retirement. After all, this is the real purpose of super – to provide income and security when members stop or wind-down work.

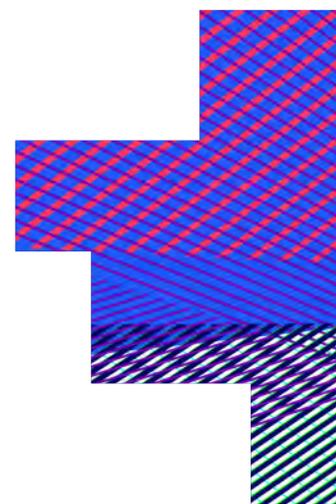
Among the many new employees who joined CareSuper this year, we were fortunate to welcome Sam Horskins to the executive team as our Chief Financial Officer (CFO). Sam is an experienced finance and operations executive who has worked in superannuation as well as across other professional organisations. With proven experience contributing to a large super fund's business performance, growth and continuous improvement, he's already strengthened our strategic financial approach – which is critical to our ability to service our members and deliver on business outcomes.

### **LOOKING FORWARD**

Now we've reached high vaccination rates for eligible Australians, there's hope that this will lead to a more 'open' economy in 2022 and put us on a strong path to recovery.

Our continued focus is on enabling you to achieve greater financial security and the best outcomes for your future. I'm confident our people have the skills, passion and dedication to continue adapting to the environment and your needs over the long term. You can rest assured that we'll always be here helping to build your future for you.

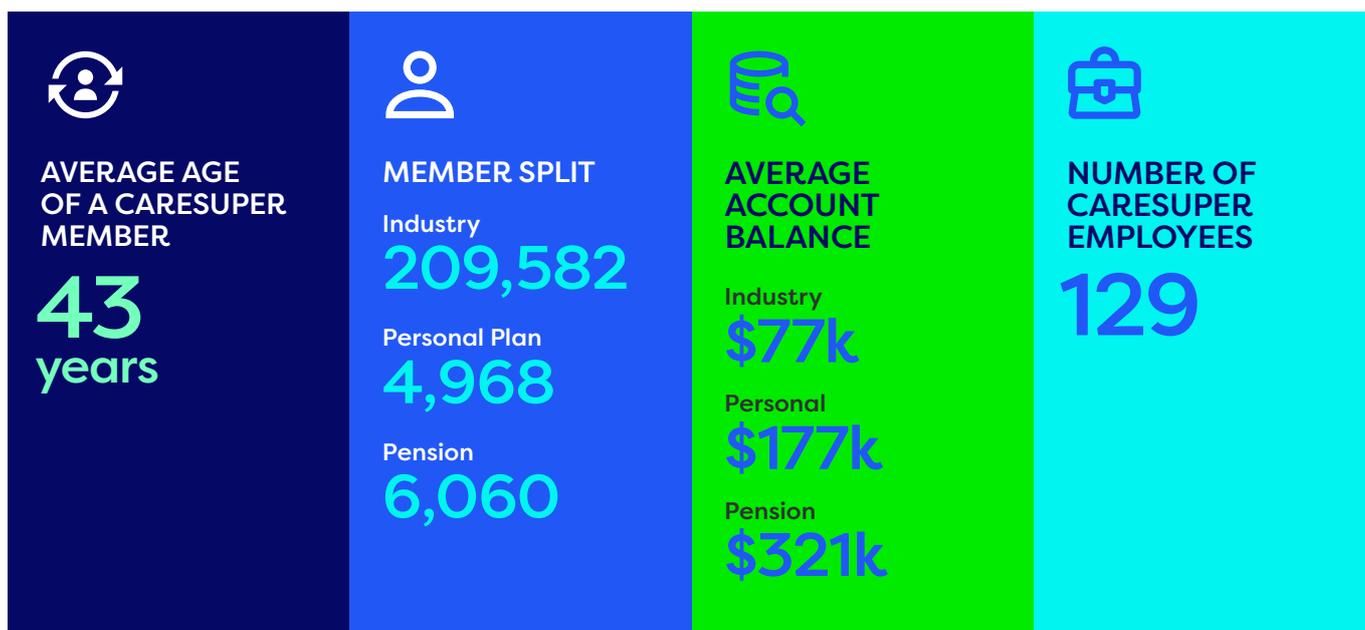
Thank you for continuing to trust CareSuper to manage your super, and thanks to our employers for choosing us as your preferred superannuation partner.



# Who we are

We're one of the largest super funds for aspirational, professionally minded people. We care about our members by delivering superior long-term outcomes and high quality, trusted services, and active investment management.

## About CareSuper



### PROFIT-TO-MEMBER ETHOS

We are a leading super fund and we're run only to benefit our members' interests.

This means we:

- Don't have shareholders who expect an investment return
- Keep fees and costs competitive to provide value, but not at the expense of the services our members expect
- Our financial planners are paid a salary and don't receive commissions to provide advice.

For more information on Industry SuperFunds, go to [caresuper.com.au/industry-super-fund](https://caresuper.com.au/industry-super-fund).

### STRONG LONG-TERM INVESTMENT PERFORMANCE

#### Active investment approach

CareSuper has decades of proven experience in smart, proactive investing through different investment cycles. Our active investment approach means we search for, and select, the best investment opportunities in Australia and around the world.

#### Smoother returns for members

We utilise 'downside protection' to minimise the impact of negative returns when markets fall and lower the investment risk to members.

### HIGH PERFORMANCE

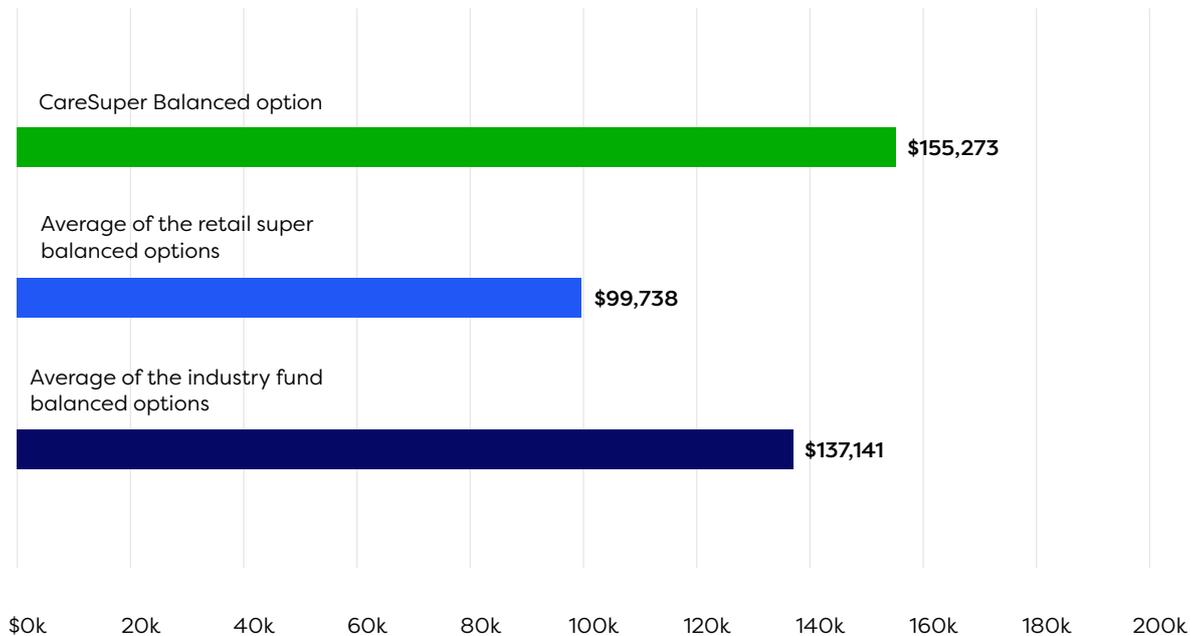
Our Balanced (MySuper) investment option, where most of our members invest their super, has been a top performer across multiple timeframes:<sup>^</sup>

- #5 over 10 years with a 9.13% return
- #5 over 15 years with a 7.29% return
- #3 over 20 years with a 7.84% return.

<sup>^</sup> SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2021.

## BIGGER NET BENEFIT

We believe in a simple but powerful equation: competitive fees + smart, proactive investing = a bigger net benefit for members. Over 15 years to 30 June 2021, our Balanced option returned over \$55,000 more than the average of all surveyed retail funds and outperformed the average of all surveyed industry funds by over \$18,000.



Past performance is not a reliable indicator of future performance. Comparisons modelled by SuperRatings as at 30 June 2021, 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](https://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 and target market determination before making an investment decision.

### FOR THE PROFESSIONALLY MINDED

We’re one of the largest industry funds for aspirational people across multiple occupations and sectors. Our members strive for their individual version of success and want a super fund that fits their needs and aspirations. They value our focus on high performance, simplicity, quality and the personal connections that our boutique 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 is run only to benefit members.

### A 35-YEAR HERITAGE

We’ve been helping our members achieve their post-work financial goals for 35 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 providing product 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.

### HIGHLY TRUSTED

As a highly trusted super fund, we have achieved high ratings and awards from all the key ratings agencies and research providers.



### SUPERRATINGS PLATINUM RATING 2021

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



### CHANT WEST 5 APPLES SUPER AND PENSION 2021

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



### MOZO PEOPLE'S CHOICE AWARDS 2021

The Mozo People's Choice Awards shine a spotlight on the financial services providers everyday Aussies love. CareSuper received People's Choice Awards for Outstanding Customer Satisfaction, Clear Information and Highly Trusted.



### LONSEC INVESTMENT OPTION WINNER

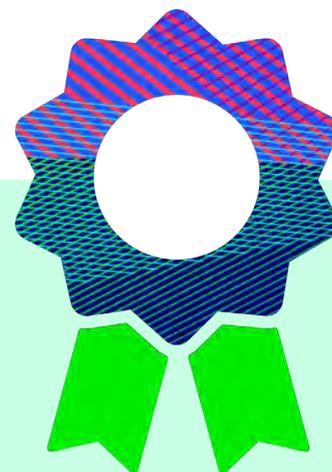
In recognition of the design of our Sustainable Balanced option's investment portfolio and how it meets member needs.



### HERON PARTNERSHIP 5-STAR RATING 2021

CareSuper received an "outstanding" rating and was awarded 5 Heron stars for:

- Quality Star Rating
- MySuper product
- Top 10 Pension product.



### FOR MORE INFORMATION ON ALL OUR AWARDS

Visit [caresuper.com.au/awards](https://caresuper.com.au/awards)

Product ratings are only one factor to be considered when making a decision. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to [www.superratings.com.au](https://www.superratings.com.au) for details of its ratings criteria.



### GUIDED BY 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.

- ✓ Service
- ✓ Professionalism
- ✓ Integrity
- ✓ Relationships
- ✓ Innovation
- ✓ Teamwork

## Our service providers

We partner with quality 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.

Here's a list of our significant service providers. All material service providers, as well as our Insurer, MetLife, have been requested to provide annual attestations.

#### 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 Consulting (to March 2021)  
JPM Morgan Chase Bank, N.A.  
(Sydney branch) (from March 2021)  
Citigroup Pty Limited  
Certane CT Pty Ltd

#### INSURER

MetLife Insurance Limited

#### INSURANCE ADVISER

IFS Insurance Solutions Pty Ltd

#### INVESTMENT MANAGERS

See full list on page 33.

#### LEGAL ADVISERS (MELBOURNE)

Greenfields Financial Services  
Mills Oakley  
Holding Redlich  
Allens

#### TAX ADVISER

Deloitte Tax Services Pty Ltd

\*Indicates a material outsourced provider

# How we've delivered value

Our goal is to build enduring relationships with our members and employers by continually adding value and improving customer experience.

## TRUSTED FINANCIAL ADVICE

CareSuper cares about helping our members achieve their goals in life.

Our financial advice model aligns with our members-first philosophy, meaning our planners receive no commissions to provide advice.

We offer three different types of advice which aim to help our members put strategies in place to achieve a positive financial future. Limited advice covering super-related topics is available over the phone at no extra cost to members.\* Members also have access to comprehensive and complex financial advice that costs extra, where we can review and provide recommendations on their whole financial situation.†

This year we had more than 3,000 referrals through to our financial planning team. Of those, 930 members accepted advice with a Statement of Advice (SoA) provided, an increase of 20% on 2020.

Almost 1,000 members attended one of 20 'Future focus' financial planning webinars during the year, on topics including transition to retirement, super basics, retirement income stream products and others.

“

We felt that the experience with the CareSuper planner was extremely beneficial. The advice was clear when he went through it with us and we were sorry we didn't get the advice earlier.

John,  
CareSuper member.

”

## DIVERSE COMMUNICATION TOUCHPOINTS

To support the broad needs of our membership, we have a multi-channel communication approach to ensure members and employers can get in touch with us when they need to. This includes phone, an online contact form, MemberOnline, social media and the CareSuper app.

This year we:

- Answered 166,000 inbound calls and emails, achieving a net promoter score (NPS) of +57.3 against a benchmark of +50.0
- Answered more than 1200 inbound social media messages from members, with most relating to COVID-19 and early release of super payments.

## SUPER EDUCATION

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. We also offer superannuation calculators so members can calculate their projected future income, see how much insurance costs, and understand the benefits of contributing extra to super. Research into our Education Hub online learning platform helped us delve deeper into the types of educational materials our members are looking for, and how they'd like it presented. This qualitative research will help us refine the educational resources we provide to members in the future.

## INTERACTING WITH MEMBERS AND EMPLOYERS

Despite the unpredictability of lockdowns due to COVID-19, our Relationships and Growth team demonstrated agility and adaptiveness to maintain high levels of employer and member engagement.

This included:

- 6,702 employer interactions, including 89 seminars
- 3,795 member interactions, including 96 sit-ins and 588 member appointments.

As many of our members were at home due to lockdown restrictions we were able to make contact with over 11,000 of them through our outbound call campaigns. We welcomed new members, congratulated members on particular anniversaries or milestones, and contacted others after a job change. This led to higher quality conversations – the key benefit being better engagement around their super account.

## MAINTAINING STRONG RELATIONSHIPS WITH EMPLOYERS

We partner with employers across a wide range of industries and sectors in Australia. Our employer value proposition is strongly aligned with employers across business services, information technology (IT), financial services and professional services.

The goal of our dedicated team of employer specialists is to make it as easy as possible for employers to keep on top of their super obligations for their employees.

\*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.



We provide:

- Personalised support tailored to each business
- Support around the development of business engagement plans
- Educational tools, seminars, and wellbeing resources
- Regular updates on government changes to super and important dates to remember
- Super support to employees.

Dedicated relationship managers support our employers to deliver personalised support, tailored to their business and employees. This is an important differentiator for us – it is not something all funds can provide – and reinforces our commitment as a boutique-sized fund delivering superior value and service.

### EVENTS AND WEBINARS

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 through events and webinars to promote the importance of super, educate them and help them with their financial wellbeing goals.

Pleasingly, 1,810 members attended a super webinar with us this year, up 23% on last year, and 285 members requested a call-back from a financial planner. COVID-19 again prevented us from hosting in-person events.

We held the following virtual events this year:

- Legislated Annual Member Meeting (AMM)
- 20 financial planning webinars
- 5 special events targeted to specific member cohorts – including two for high achievers, pension members, women, men.

What our members thought of our webinars:

- 89% satisfied with webinar content
- 92% satisfied with webinar speaker
- 96% would attend another webinar.

### REGULAR COMMUNICATION

Via our annual member statements, regular e-newsletters and magazines and other targeted communication campaigns to specific cohorts, we aim to provide timely and relevant updates which engage and retain our members and employers.

As the key annual communication provided to members, we continue to achieve a high level of engagement around our annual statements. Members value their annual statement as an opportunity to check-in with their super and make sure it’s on track.

Open rates for e-statements:

- 73% for pension members
- 50% for super members.

“

I found CareSuper very informative and receiving regular communication was helpful.

**Karen,**

CareSuper member since 1989.

”

# Service innovation

CareSuper is committed to high quality products and services. We continually strive to ensure they remain competitive and meet the changing needs of our members and employers now and into the future.

## ENHANCEMENTS TO MEMBERONLINE

Investing in our digital platforms ensures we keep pace with changing member expectations. We made the following upgrades to MemberOnline:

- Launch of the Pension Payments Hub – helping pension members self-serve and more easily view or make changes to their amount or frequency of pension payments, their drawdown strategy and bank account details. The process is more streamlined to increase speed and accuracy, and provides clear messaging to members
- Updated insurance section – provides tailored content according to benefit class to deliver a personalised experience. We've added more descriptor text to clearly explain to members what insurance they have and what it costs which easily enables them to cancel their insurance cover if it no longer suits them. This also assists members with income protection cover to see their cover details quickly and easily, and provides a clearer breakdown of insurance fees.

## RELAUNCH OF SUPERMATCH

SuperMatch enables members to find and combine all their super into their CareSuper account. Having one super account means just one set of fees.

The Australian Taxation Office (ATO) disconnected access to SuperMatch for all superannuation funds in May 2020 due to concern over fraudulent activity surrounding the early release of super scheme at the beginning of the COVID-19 pandemic.

In June, we relaunched our new SuperMatch solution which aligns to new ATO terms and conditions, enabling members to easily and securely consolidate their super to CareSuper. Members verify their identity using two forms of identification prior to commencing a SuperMatch search to facilitate a request to transfer their super from another fund to CareSuper. The ID verification capability requires that a member's name and date of birth must be verified against two reliable and independent electronic data sources and must include at least one primary Government ID verified against the Document Verification Service (DVS).

## INCREASED OPERATIONAL RESOURCES

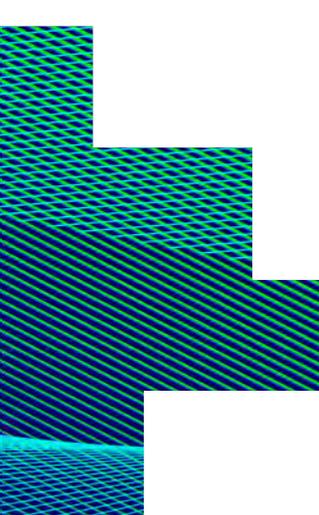
Having appropriate operational resources is critical to improving customer experiences and ensuring the smooth running of CareSuper. We negotiated additional resourcing commitments from our administration partner, including in the contact centre.

## THIRD-PARTY MEMBER BENEFITS

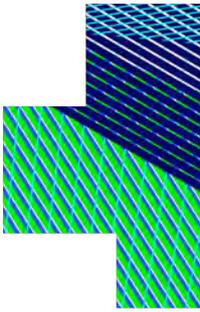
Members can access group rates and discounts for a range of third-party products, including health, car, travel and home insurance; as well as finance-related essentials like banking and home loans.

## WEBSITE AND MEMBERONLINE RESOURCES

- 789,697 unique visits to our website (up 26.73% on 2020)
- 84,468 forms, publications and other documents downloaded from our website
- 88,075 members logged in to MemberOnline.



# Supporting our members and the community



We strive to contribute positively to the community in which we operate.

## EARLY RELEASE OF SUPERANNUATION

The introduction of the Federal Government's early release of superannuation scheme provided us with a new purpose throughout calendar year 2020 – to help members access their money if they were in financial stress.

CareSuper moved quickly to respond to the early release of super scheme. Between 1 July 2020 and 31 December 2020, we helped 8,374 members access their super under the second tranche of the scheme. We approved \$60 million in payments averaging \$7,340 per payment. During tranche one and tranche two of the scheme, we paid 89.6% of successful applications within the 5-business day guideline indicated by APRA.

This scheme required significant work to ensure member data and assets were protected from fraud. Our team conducted daily checking of data files and member

applications, reporting to APRA on a weekly basis, and investigated any suspicious matters that arose.

## DONATING AND VOLUNTEERING

As a fund run only to benefit members, we don't donate money to charities. However, we provide opportunities for personal donations to selected causes and support employee commitments to volunteering and blood donation.

We raised \$23,340 for breast cancer research as part of our annual participation in the Mother's Day Classic. Our team also raised \$5,715 for Movember, the leading charity changing the face of men's health.

## SHARING INDUSTRY KNOWLEDGE AND PROFESSIONAL EXPERTISE

Several of our employees contributed to the super industry and business community through membership of policy committees, mentoring and participation in public forums and education events.

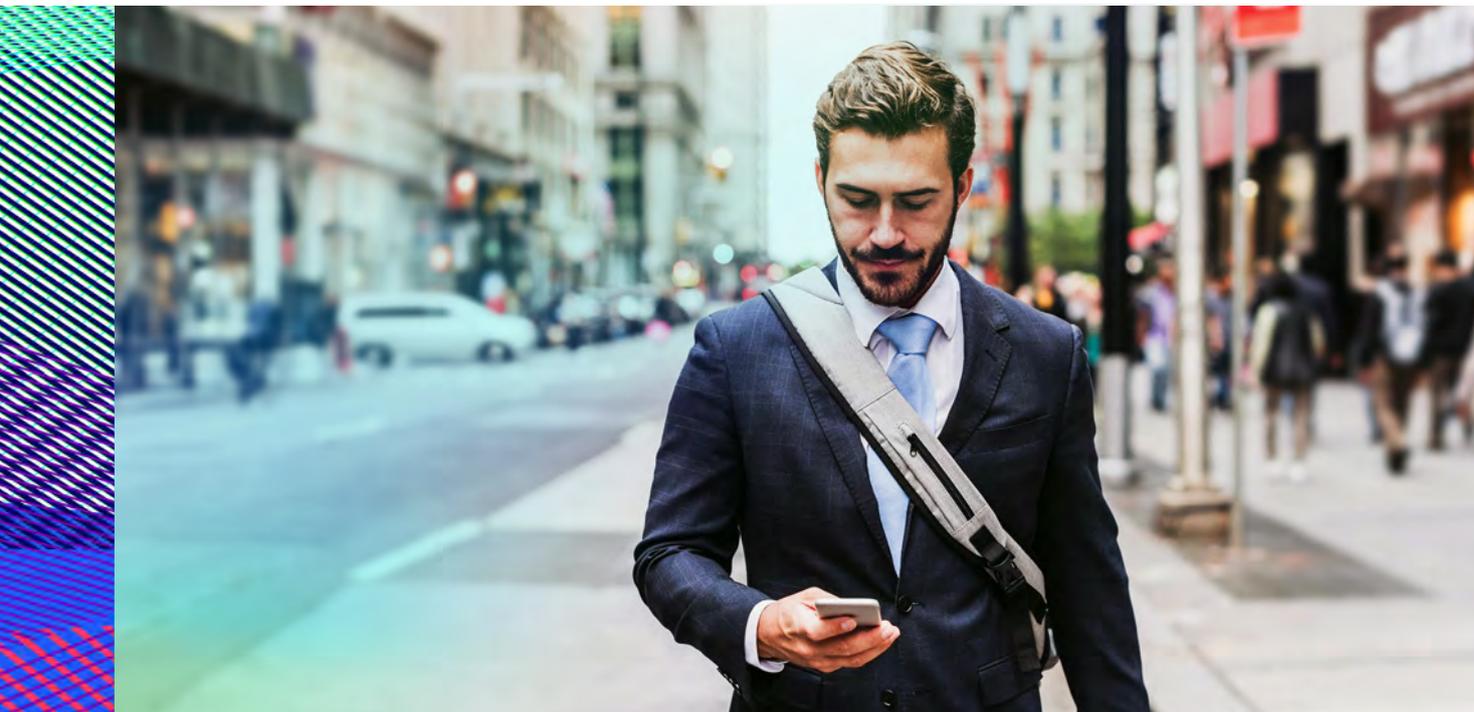
## SUSTAINABLE BUSINESS OPERATIONS

The way we operate not only affects the financial outcomes of our members, but also the environmental, social and economic conditions in which they live, and those of future generations. Our operational footprint is small, but we're always looking for ways to reduce our use of resources and minimise waste.

As a certified Carbon Neutral organisation, we've implemented sustainability and carbon neutral initiatives across our day-to-day business operations. This includes improving energy efficiencies in our offices and recycling and waste management.

You can read more about our commitment to sustainable investing on page 23.





## ADDRESSING MODERN SLAVERY IN THE LABOUR SUPPLY CHAIN

The Australian Modern Slavery Act 2018, enacted in 2019, guides organisations with annual revenue above \$100 million on reporting modern slavery risks in their operations and supply chains. In addition to clear ethical issues, modern slavery can negatively impact business models and value chains and create unsustainable earnings for large global investors such as CareSuper.

We've developed a modern slavery framework. It outlines a range of activities to be implemented over the next 2 years, including:

- Integrating the risks of modern slavery into our fund policies and procedures
- Continuing to engage with our investment managers and suppliers
- Further developing and building internal capability via raising awareness and training.

Our finance function developed a triage process to identify higher risk suppliers and then worked with those suppliers to assess and address any substantial risks of Modern Slavery in our supply channels.

With respect to our investment portfolio, we have assessed modern slavery risks across asset classes and seek to engage with our investment managers to drive best practice. Engagement on modern slavery has

been focused on investments in high-risk sectors and geographies. We have also engaged with ASX listed companies on modern slavery via Australian Council of Superannuation Investors (ACSI), a collaborative environmental, social, and corporate governance (ESG) initiative.

## PROTECTING AND DEVELOPING OUR PEOPLE

Prioritising the health, safety and development of our employees is of paramount importance to us. The coordination of a safe and responsible office environment in the current climate continued with CareSuper's COVIDSafe Plan and practices.

Workplace flexibility continued to be an important way we protected our employees, and we took steps to ensure our people stayed safe, healthy, and productive while working from home. This included virtual home office ergonomic assessments, and training around new software communications platforms to upskill staff and maintain strong collaboration and connection among our people.

Employee wellbeing and coaching also remained a focus. We granted special paid COVID-19 leave to employees who were unable to work due to caring or home-learning requirements for family members, or to get vaccinated. Our

professional development coaching sessions continued, as did our wellbeing program and workshops that aim to promote mental and physical health.

## A ROBUSTLY MANAGED PARTNERSHIPS PROGRAM

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 competitive fees.

### Our partners during 2020/21

- Business Australia (NSW Business Chamber)
- Victorian Chamber of Commerce and Industry (VCCI)
- Canberra Business Chamber
- ACTU Member Connect
- Melbourne Victory
- Women in Super Mother's Day Classic
- AFL Canberra
- Business Chamber of Co-operatives and Mutuals (BCCM)
- Australian HR Institute (AHRI)

# Implementing change

Here's a summary of this year's changes to the superannuation industry and at CareSuper.

## YOUR FUTURE, YOUR SUPER (YFYS) REFORMS

Your Future, Your Super (YFYS) legislation that was outlined in the 2020/21 Federal Budget came into effect from 1 July 2021. These reforms are among the most significant the superannuation system has seen since the introduction of the Superannuation Guarantee (SG) in 1992.

We have prepared our members and employers for the upcoming changes through communications and dedicated resources and support. Members can read more information about YFYS at [caresuper.com.au/yfys/member](https://caresuper.com.au/yfys/member). Employers can learn more at [caresuper.com.au/yfys/employer](https://caresuper.com.au/yfys/employer).

The key changes include:

### INTRODUCTION OF 'STAPLING'

Stapling brings significant changes to the way employers pay superannuation to new employees. From 1 November 2021, an individual's existing super account will follow them when they change jobs, unless they provide their employer with a completed Choice form to indicate where their super contributions are to be paid. The aim of stapling is to reduce the likelihood of individuals having multiple super accounts, saving them unnecessary fees and costs.

If a new employee does not make a choice by giving their employer a completed Choice form, the employer will contact the ATO to determine their stapled fund and pay super contributions to it. If the employee does not have a stapled super fund, and they do not nominate one, the employer must pay their super to their default super fund.

## ANNUAL PERFORMANCE TEST

Superannuation regulator, the Australian Prudential Regulation Authority (APRA), introduced annual performance tests on all funds' MySuper products (the default option mandatory for all super funds) for the 2020/21 financial year. This will extend to Choice options in 2022. APRA will notify each fund if it failed the test by 1 September each year, and publish all results.

If a fund fails the annual performance test, it must advise its members. If it fails the test over two consecutive years, it will not be able to accept new members until it has passed a subsequent test. The test measures the actual return delivered by the fund, against its unique benchmark derived from indices determined by APRA and based on the fund's asset allocation on average (over 7 years in 2021 and over 8 years thereafter).

### CareSuper's Balanced (MySuper) option passed the annual performance test for 2021.

### 'YOUR SUPER' COMPARISON TOOL

This tool is available through the ATO and provides a table of simple super products ranked by fees and investment returns, with links to fund websites.

### BEST FINANCIAL INTEREST DUTY

This new duty requires super trustees to ensure super fund expenditure is in the best financial interests of members. CareSuper is well positioned to meet this legally-required standard.

### CHANGE TO CARESUPER'S ADMINISTRATION FEE FOR SUPER MEMBERS

The need to remain sustainable and to continue providing the services our members expect resulted in some changes to our administration fee structure for super members, which became effective from 1 July 2021.

1. The tax deduction benefit, representing 15% of the \$78 fixed fee, is no longer directly passed back to members' accounts.

The benefit of up to \$11.70 will be used to pay for increased operational expenses. This practice is in line with most other super funds. The \$78 fixed fee remains otherwise unchanged.

2. The annual limit on the percentage-based fee increased to \$750.

This brings the annual limit in line with the limit for pension members. It won't affect members until their account balance reaches \$264,000. The percentage-based fee remains otherwise unchanged.

## CHANGES TO THE WAY WE MANAGE AND RESPOND TO COMPLAINTS

Effective from 5 October 2021, super funds must comply with ASIC's new requirements to internal dispute resolution processes. The main changes include:

- Broadening the definition to include complaints made by social media
- The time permitted to respond to complaints has reduced from 90 days to 45 days for most complaints
- Complaints to be acknowledged, where practicable, within 1 business day of being received, and
- Changes to the way we must respond to complaints.

See our Complaints Policy at [caresuper.com.au/governance](https://caresuper.com.au/governance) which outlines how to lodge a complaint, who is eligible to do so, timeframes to expect a response, and how to escalate a complaint.



### **DESIGN AND DISTRIBUTION OBLIGATIONS (DDO)**

These reforms require all financial services organisations, including super funds, to design products to better meet the needs of consumers, and to distribute and market the products in a more targeted way.

Financial product issuers are required to publish Target Market Determinations (TMDs) on their website, assess products against their objectives, keep records and notify ASIC about any significant dealings in respect of the TMD.

We have published our TMDs at [caresuper.com.au/pds](https://caresuper.com.au/pds), outlining each of CareSuper's products, their target market and purpose.

### **CHANGES TO LOST SUPER AND SUPER MONEY HELD IN ELIGIBLE ROLLOVER FUNDS (ERFS)**

From 1 May 2021, no lost superannuation can be transferred to an Eligible Rollover Fund (ERF). Accounts with a balance less than \$6,000 may be transferred to the ATO in certain circumstances where individuals can find and consolidate the lost super to an active super account.

### **EXTENSION OF THE WORK TEST**

Members aged up to 67 (previously 65) can make personal non-concessional contributions without meeting the work test.

### **INCREASED AGE LIMIT TO RECEIVE SPOUSE CONTRIBUTIONS**

Spouses may receive spouse contributions up to age 75 (previously 69). Receiving spouses between age 67 and 75 will still need to meet the work test to be eligible to receive spouse contributions.

### **TEMPORARY REDUCTION IN PENSION DRAWDOWNS**

Account-based pension and transition to retirement (TTR) pension members can temporarily reduce their pension payments by 50 per cent in the 2020/21 financial year. 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. This measure has been extended to 30 June 2022.

### **SG AMNESTY FOR EMPLOYERS**

This amnesty allowed employers to disclose and pay previously unpaid super guarantee payments that they owed their employees between 1 July 1992 to 31 March 2018, without facing financial penalties. It was available to employers until 7 September 2020.

# Our business strategy

## Background and context

Key external trends will affect the superannuation landscape over the coming years. These trends will continue to influence our business strategy and approach.

- Legal and regulatory focus on superannuation

The amount of policy and regulatory reform has increased significantly in the last decade.

- High competition and industry consolidation

There's an increased focus on scale, efficiency and new distribution channels. Merger activity is driving consolidation across the superannuation industry, and COVID-19 may have accelerated this trend.

- Changing member expectations

As industry sectors such as banking and postal services have improved their user experiences, member expectations around superannuation are also increasing.

## Our strategic plan

Our 2025 strategic plan revolves around delivering superior quality and outcomes, member affinity and growth.

We want to be a credible, compelling and successful alternative to mega funds that delivers superior outcomes for members and employers.

### CARESUPER'S STRATEGIC PLAN TO 2025

|                     |  |                                 |                           |                    |                    |
|---------------------|--|---------------------------------|---------------------------|--------------------|--------------------|
| Purpose             | To maximise secure and sustainable retirement funds for our members to improve their post-work lifestyles.   |                                 |                           |                    |                    |
| Our aspiration      | To be widely recognised as a differentiated, 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 | Superior quality and outcomes  |                                 | Member affinity           |                    | Growth             |
| Enablers            | Service provider selection, accountability and partnership   | Governance, compliance and risk | Organisational excellence | People and culture | Digital technology |

### WHAT WE CARE ABOUT MOST

|  |   |   |   |
|--|---|---|---|
| <p><b>Our members</b></p> <p>Providing better lifestyles for our aspirational members in their later years, filled with purpose and choice.</p>  |  |  | <p><b>Service</b></p> <p>Being available to members and employers and flexible to meet their needs, our boutique size enables us to go where other funds can't.</p> |
| <p><b>Outcomes</b></p> <p>Superior investment performance at lower risk utilising active management and downside protection and embedding sustainable practices in our investment strategy and operations.</p> |  |  | <p><b>Our people</b></p> <p>Enabling our people to be fit for success, guided by the CareSuper values.</p>  |

# Projects delivered 2020/21

The following projects were delivered that aligned to our key success factors within our overarching business strategy.

| Key success factors    | 1 Demonstrate superior quality and outcomes  | 2 Build member and employer affinity   | 3 Grow to \$30bn by 2025   |
|------------------------|--|--|--|
| <b>Key initiatives</b> | Enhancement of our investment selection and research capability consistent with strategy.        | Commencement of CX strategy and 'Voice of Customer' program to set the vision and principles for the customer experience we want to provide our members and defines the set of goals and actions needed to drive the desired outcomes. | Developed our employer value proposition and strategy to respond to the current environment.                                 |
|                        | Assessment of investment structure and direction to support differentiation and reduce costs.    |  | Enhancement of new business and tender capability to ensure CareSuper is well positioned to respond to future opportunities. |
|                        | Collaboration with administrator to improve service standards and digital platforms for members. |  | Direct acquisition campaigns to grow membership.   |
|                        |  |  | Review potential merger partners to achieve greater scale.   |
|                        |  |  | Review of corporate insurance arrangements (CIAs).   |

The following projects were delivered that aligned to our business enablers within our overarching business strategy.

| Service provider selection, accountability and partnership | Governance, compliance and risk                               | Organisational excellence                      | People, culture and collective relationships | Digital technology   |
|--|---|--|--|--|
| Administration Optimisation Framework                      | Implementation of APRA's Member outcomes assessment (2021)    | Enhance the fund's finance capability          | Finance, People and Culture strategy         | Digital marketing automation via our administrator to drive member engagement and retention  |
| Transitioned the custody of our assets to JP Morgan        | Implement online risk management system (2021)                | Reserves project                               | Employee coaching and wellbeing program      | Customer relationship management (CRM) platform enhancements to capture member and employer interactions to support future initiatives |
|  | Cyber security initiatives as part of cyber security strategy | Develop and implement data management strategy | Good to Great focus group                    | Implementation of webinar capability to improve reach among members and employers  |
|  | Implementation of modern slavery requirements                 | Reporting and measurement review               |  |  |

# Investing your super

## Our investment advantage

### ACTIVE INVESTMENT TO OUTPERFORM

We don't just track indexes, we select every investment we hold. Our investment managers search for the best opportunities in Australia and overseas, and add extra value by choosing specialised investments that we believe have the potential to outperform the market.

### PROTECT OUR MEMBERS' SAVINGS

We utilise 'downside protection' to minimise the impact of negative returns when the markets fall. Protecting against downside risk means we're better prepared for market downturns, and you can be more confident about minimising losses.

### LONG-TERM FOCUS

We don't get distracted by short-term market events. We're here to provide real growth over the long term and through the ups and downs of investment cycles, so our members can enjoy years of income from their super.

### BOUTIQUE SIZE ENABLES AGILITY

Our size means we're big enough to access prime, and sometimes niche, investment opportunities, but small enough to move fast to secure them.

### DIVERSIFY YOUR SUPER INVESTMENT

Diversification is the best defence against unpredictable investment markets. 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.

### FOCUS ON SUSTAINABILITY

We consider environmental, social and governance (ESG) factors when choosing investments. And we ask our investment managers to do the same. See the 'Responsible investors' section on page 23 for more information.





# Chief Investment Officer's message

We believe our approach to actively selecting investments and protecting our members' super against downside investment risk will provide strong outcomes for members over the long term.

**Suzanne Branton**  
Chief Investment Officer

## INVESTMENT PERFORMANCE FOR 2020/21

After a strong year in financial markets, CareSuper was proud to deliver a 17.49% return for the Balanced (MySuper) option and 18.92% for the pension Balanced option. This represents the highest return in CareSuper's 35-year history.

To be able to achieve this return would have seemed extraordinary last year when we were in the midst of the COVID-19 market downturn. It highlights the value of remaining patient and sticking the course through the ups and downs of financial markets.

Superannuation is a long-term investment and our key focus remains on delivering consistently strong returns over the long term, to make a positive difference to members' retirement outcomes.

Our Balanced option has delivered an average return of 9.13% per year over the past 10 years – placing it in the top 5 of all surveyed balanced funds in Australia according to independent ratings agency SuperRatings. It is also in the top 5 funds over 15 years and top 3 funds over 20 years.<sup>^</sup>

These returns are the result of our long-term focus and active approach to investing. Our members are in it for the long term, and so

are we. Strong one-year results are a great boost for your super in the short term but we're investing with a longer horizon in mind, so those longer-term figures are a true measure of our success.

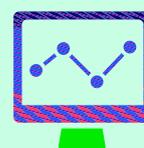
All our other investment options delivered positive returns too. You can view returns for all our investment options across the various timeframes in the Returns at a glance tables on page 32.

## LOOKING AHEAD

Despite share markets having seen one of the strongest growth years on record, and the Balanced option delivering extremely strong performance this year, our overarching message is that members should not expect to keep seeing these sorts of results.

Last year is not a good benchmark on which to set expectations or to assess the future. There are positive influences on the horizon, but the outlook will include cycles, challenges and varying conditions in financial markets.

With this in mind, we expect our approach to actively select investments and our focus on risk as well as returns will serve members well and ensure that we are well placed to respond to any potential challenges that might lay ahead.



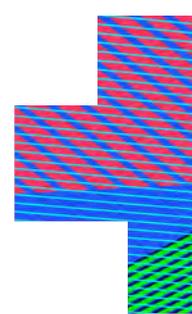
## INVESTMENT HIGHLIGHTS IN 2020/21

In March 2021 J.P. Morgan took over as the custodian of the Fund's assets. J.P. Morgan's global scale and continued investment in technology is well-positioned to support CareSuper's evolving investment program and strategic plans. We thank our previous custodian NAS for the service and dedication they have provided over the last 20 years.

This year we executed several significant regulatory reporting requirements and changes, as well as internal projects. We delivered a sophisticated investment implementation program and enhanced our cash and currency management.

We were proud to win Lonsec's overall Investment Option award 2021 for our Sustainable Balanced option, which was relaunched 2 years ago with a restructure of managers and investments. This award was judged across all investment options of major funds in Australia and recognises our commitment to delivering strong returns to our members through the design of our investment portfolio.

<sup>^</sup>SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2021.



## Investment highlights for 2020/21



5 new direct co-investments in private equity (PE) and infrastructure.



Sold our first private equity (PE) co-investment: Invested \$5million, sold for \$26.7 million in 3 years.



Reduced exposure to Australian property and increased exposure to global infrastructure, realising an improved risk-adjusted return. We were able to take advantage of the strong prices for Australian commercial property that were available at the time – a strong example of our active management philosophy in practice.



Within our infrastructure portfolio, we pivoted to global telecommunications and digital infrastructure.

## Responsible investors

While it's our job to maximise investment returns for members over the long term, how we achieve our returns is also important.

Carried out  
**84 ESG**  
assessments across  
**9** asset classes.

Voted at  
**1146**  
shareholder meetings  
and voted against  
**388** resolutions.

Benefited from  
**332 ACSI**  
engagement meetings  
with ASX300 companies.

Achieved  
**A+ PRI** rating  
for our responsible  
investment practices.

**A+** rating achieved for:

- Overall approach to responsible investment strategy and governance
- Responsible investment management for listed equity.
- Active ownership.

# Investment highlights (continued)

We take a responsible, considered approach to investing our members' super by integrating environmental, social and governance (ESG) factors into our decision-making, alongside diversification, liquidity and economic considerations. We recognise that managing these ESG risks, such as carbon intensity (E), employment and supply chain practices (S) and corporate behaviour (G), will improve long-term returns for our members.

Here's our approach to ensuring members' super is invested in sustainable, diversified companies that are growing, future-focused and have a long-term outlook.



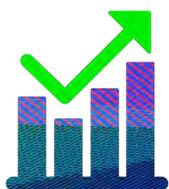
- 1. Consideration of ESG factors in investment selection:**  
We engage with our investment managers to understand how they integrate ESG and other risk factors into their research and decision making, and evaluate their progress. This requires them to identify and assess climate change risks and opportunities in their investment analysis.
- 2. Analyse and engage third parties to help us understand our exposure to ESG risks so we can continually enhance our approach.**
- 3. Use our ownership rights to vote on resolutions put to shareholders:**  
By exercising our voting rights on a range of different resolutions at companies' company meetings, we aim to maximise value for CareSuper members by using our influence to support positive corporate behaviour and drive improved ESG practices.
- 4. Advocate and collaborate:** We participate in collaborative initiatives, most notably as a member of the Australian Council of Superannuation Investors (ACSI), to engage, communicate and influence decisions that have a positive impact on people and the planet.
- 5. Offer a dedicated sustainable investment option, the Sustainable Balanced option (SBO):** The SBO specifically seeks to respond to social and environmental concerns by not only meeting our ESG criteria, but also applying negative screens (investments that we will not invest in) and positive themes (investments that improve the environment and our daily life) to the investment selection process.
- 6. We're a signatory to the Principles for Responsible Investment (PRI),** which is a United Nations initiative that requires ongoing assessment to qualify as a signatory.
- 7. Aim to exclude tobacco manufacturing companies from our portfolio and are a signatory to the Tobacco Free Finance Pledge.**

## Addressing the challenge posed by climate change

Climate change is one of the most significant issues affecting the world today. There are also financial risks to investors. We believe the best way to address the risks of climate change is through co-ordinated global co-operation and action. Our Climate change position statement outlines our actions to address the investment risks and opportunities of climate change. We'll continue to monitor emerging risks, research and market practices on climate change and respond appropriately in our investment activities. Read our Climate change position statement at [caresuper.com.au/climatechange](https://caresuper.com.au/climatechange).

## Our commitment to effective stewardship

Stewardship means exercising our ownership rights and responsibilities as a major shareholder to protect and enhance long-term investment value, promoting sustainable and responsible practices in the companies we invest in. 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. 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](https://caresuper.com.au/stewardship-statement).



# Our approach to investing

## INVESTMENT STRATEGY

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

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

- Produce real capital growth and income over time
- Manage investments with a defensive strategy
- Produce less volatile returns relative to peers
- Provide competitive returns
- Provide commensurate return for risk
- Manage liquidity
- 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 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](https://caresuper.com.au/pds).

## DERIVATIVES POLICY

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.

## INVESTMENT EXPOSURES

At 30 June 2021 the following investment managers held more than 5% of CareSuper's assets.

|   |              |
|---|--------------|
| <b>IFM Investors</b>                      | <b>6.99%</b> |
| IFM Enhanced Index Equities               | 4.93%        |
| IFM Australian Infrastructure Fund        | 1.76%        |
| IFM Specialised Credit Fund               | 0.11%        |
| IFM International Private Equity Fund III | 0.09%        |
| IFM Infrastructure Debt                   | 0.09%        |
| IFM Australian Private Equity Fund IV     | 0.01%        |
| IFM International Private Equity Fund II  | 0.01%        |
| IFM International Private Equity Fund II  | 0.01%        |
| IFM International Private Equity Fund I   | 0.00%        |
| IFM Recap Australia Strategy              | 0.00%        |
| <b>First Sentier Wholesale Cash</b>       | <b>6.73%</b> |
| <b>MFS Global Equity Trust</b>            | <b>5.58%</b> |

## VOTING TO INFLUENCE POSITIVE CHANGE

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 company 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](https://caresuper.com.au/voting).



## 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 2 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](https://caresuper.com.au/pds).

## HOW WE MANAGE RESERVES

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).

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 2021). 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.

### Our reserves

|                       | 2020/2021<br>\$'000 | 2019/2020<br>\$'000 | 2018/2019<br>\$'000 |
|-----------------------|---------------------|---------------------|---------------------|
| General reserve       | \$166,253           | \$69,607            | \$125,868           |
| ORR                   | \$47,521            | \$40,654            | \$39,699            |
| <b>Total reserves</b> | <b>\$213,774</b>    | <b>\$110,261</b>    | <b>\$165,567</b>    |

# Investment appendices

## Your 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](https://caresuper.com.au/investments).

### ACTUAL ASSET ALLOCATIONS

For information on the actual asset allocations to 30 June 2021 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](https://caresuper.com.au/pds).

Here's a summary of each of our Managed and Asset Class options as at 30 June 2021.

### OUR MANAGED OPTIONS

#### BALANCED (MYSUPER)

|                         |   |                |                        |                |                                 |
|-------------------------|---|----------------|------------------------|----------------|---------------------------------|
| <b>Overview</b>         | The Balanced (MySuper) option invests in a diversified mix of assets with an emphasis on Australian and overseas shares, property and alternatives. It's designed to achieve relatively high returns in the medium to long term but is subject to short-term fluctuations in returns. Your money will go into this option if you don't make an investment choice. |                |                        |                |                                 |
| <b>Return objective</b> | <b>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year (over rolling 10-year periods).</b> To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds.   |                |                        |                |                                 |
| <b>Risk level</b>       | <b>Medium.</b> The chance of a negative annual return is 2.9 in every 20 years for super and transition to retirement (TTR) accounts and 2.8 in every 20 years for full pension accounts.   |                |                        |                |                                 |
| <b>Asset mix</b>        | <b>Actual asset allocations (%) year ended:</b>   |                |                        |                | <b>Range (%)</b>                |
|                         | <b>30 June 2021</b>   |                | <b>30 June 2020</b>    |                |                                 |
|                         | <b>Super &amp; TTR</b>  | <b>Pension</b> | <b>Super &amp; TTR</b> | <b>Pension</b> | <b>Super, TTR &amp; Pension</b> |
| Australian Shares       | 25  | 28             | 21                     | 24             | 10-40                           |
| Overseas Shares         | 26  | 19             | 25                     | 18             | 10-40                           |
| Property                | 9   | 10             | 12                     | 13             | 0-25                            |
| Alternatives            | 22  | 24             | 24                     | 26             | 0-55                            |
| Fixed Interest          | 6   | 6              | 7                      | 7              | 5-30                            |
| Cash                    | 12  | 13             | 10                     | 7              | 0-30                            |

## GROWTH

|                         |   |                |                        |                |                                 |
|-------------------------|---|----------------|------------------------|----------------|---------------------------------|
| <b>Overview</b>         | The Growth option mainly invests in growth assets with an emphasis on Australian and overseas shares. It's designed to achieve long-term capital growth. Returns for this option may display a significant level of volatility with a relatively high risk of capital loss over the short or medium term.   |                |                        |                |                                 |
| <b>Return objective</b> | <b>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year (over rolling 10-year periods).</b> To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds. |                |                        |                |                                 |
| <b>Risk level</b>       | <b>Medium to high.</b> The chance of a negative annual return is 3.5 in every 20 years for super accounts, transition to retirement (TTR) accounts and full pension accounts.   |                |                        |                |                                 |
| <b>Asset mix</b>        | <b>Actual asset allocations (%) year ended:</b>   |                |                        |                | <b>Range (%)</b>                |
|                         | <b>30 June 2021</b>   |                | <b>30 June 2020</b>    |                |                                 |
|                         | <b>Super &amp; TTR</b>  | <b>Pension</b> | <b>Super &amp; TTR</b> | <b>Pension</b> | <b>Super, TTR &amp; Pension</b> |
| Australian Shares       | 33  | 37             | 27                     | 32             | 15-50                           |
| Overseas Shares         | 34  | 25             | 34                     | 24             | 15-50                           |
| Property                | 9   | 10             | 12                     | 13             | 0-25                            |
| Alternatives            | 18  | 21             | 20                     | 23             | 0-70                            |
| Cash                    | 6   | 7              | 7                      | 8              | 0-20                            |

## ALTERNATIVE GROWTH

|                         |   |                |                        |                |                                 |
|-------------------------|---|----------------|------------------------|----------------|---------------------------------|
| <b>Overview</b>         | The Alternative Growth option invests in a diversified mix of assets with an emphasis on alternatives as well as Australian and overseas shares. It's designed to achieve long-term capital growth.   |                |                        |                |                                 |
| <b>Return objective</b> | <b>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3.5% per year (over rolling 10-year periods).</b> To produce a less volatile return profile than the Growth option by investing a significant portion of the portfolio in alternative investments. |                |                        |                |                                 |
| <b>Risk level</b>       | <b>Medium.</b> The chance of a negative annual return is 2.4 in every 20 years for super accounts, transition to retirement (TTR) accounts and full pension accounts.   |                |                        |                |                                 |
| <b>Asset mix</b>        | <b>Actual asset allocations (%) year ended:</b>   |                |                        |                | <b>Range (%)</b>                |
|                         | <b>30 June 2021</b>   |                | <b>30 June 2020</b>    |                |                                 |
|                         | <b>Super &amp; TTR</b>  | <b>Pension</b> | <b>Super &amp; TTR</b> | <b>Pension</b> | <b>Super, TTR &amp; Pension</b> |
| Australian Shares       | 22  | 25             | 18                     | 22             | 10-40                           |
| Overseas Shares         | 24  | 18             | 24                     | 17             | 10-40                           |
| Property                | 9   | 10             | 12                     | 13             | 0-25                            |
| Alternatives            | 33  | 35             | 37                     | 38             | 10-85                           |
| Cash                    | 11  | 11             | 9                      | 9              | 0-20                            |

## SUSTAINABLE BALANCED

|                         |  |                |                        |                |                                 |
|-------------------------|--|----------------|------------------------|----------------|---------------------------------|
| <b>Overview</b>         | The Sustainable Balanced option seeks to select investment managers for the Australian and overseas shares asset classes based on a higher degree of focus on environmental, social and governance (ESG) standards, as well as investing in a wide range of other asset classes.   |                |                        |                |                                 |
| <b>Return objective</b> | <b>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year (over rolling 10-year periods).</b> This option targets positive investment themes such as addressing climate change and improving health and education, as well as employing a range of negative screens that restrict investments in certain companies. |                |                        |                |                                 |
| <b>Risk level</b>       | <b>Medium.</b> The chance of a negative annual return is 2.9 in every 20 years for super and transition to retirement (TTR) accounts and 2.8 in every 20 years for full pension accounts.  |                |                        |                |                                 |
| <b>Asset mix</b>        | <b>Actual asset allocations (%) year ended:</b>  |                |                        |                | <b>Range (%)</b>                |
|                         | <b>30 June 2021</b>  |                | <b>30 June 2020</b>    |                |                                 |
|                         | <b>Super &amp; TTR</b>   | <b>Pension</b> | <b>Super &amp; TTR</b> | <b>Pension</b> | <b>Super, TTR &amp; Pension</b> |
| Australian Shares       | 25   | 28             | 21                     | 24             | 10-40                           |
| Overseas Shares         | 26   | 19             | 25                     | 18             | 10-40                           |
| Property                | 9  | 10             | 12                     | 13             | 0-25                            |
| Alternatives            | 22   | 24             | 24                     | 27             | 0-55                            |
| Fixed Interest          | 6  | 6              | 7                      | 7              | 5-30                            |
| Cash                    | 12   | 13             | 10                     | 11             | 0-30                            |

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

## CONSERVATIVE BALANCED

|                         |   |                |                        |                |                                 |
|-------------------------|---|----------------|------------------------|----------------|---------------------------------|
| <b>Overview</b>         | The Conservative Balanced option is designed to achieve a balance of risk and return by investing in a blend of assets, with an emphasis on fixed interest, cash and shares (Australian and overseas).  |                |                        |                |                                 |
| <b>Return objective</b> | <b>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 2.5% per year (over rolling 10-year periods).</b> To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds. |                |                        |                |                                 |
| <b>Risk level</b>       | <b>Medium.</b> The chance of a negative annual return is 2.4 in every 20 years for super accounts and transition to retirement (TTR) accounts, and 2.3 in every 20 years for full pension accounts.   |                |                        |                |                                 |
| <b>Asset mix</b>        | <b>Actual asset allocations (%) year ended:</b>   |                |                        |                | <b>Range (%)</b>                |
|                         | <b>30 June 2021</b>   |                | <b>30 June 2020</b>    |                |                                 |
|                         | <b>Super &amp; TTR</b>  | <b>Pension</b> | <b>Super &amp; TTR</b> | <b>Pension</b> | <b>Super, TTR &amp; Pension</b> |
| Australian Shares       | 18  | 21             | 16                     | 19             | 5-30                            |
| Overseas Shares         | 21  | 15             | 20                     | 14             | 5-30                            |
| Property                | 5   | 6              | 7                      | 8              | 0-15                            |
| Alternatives            | 18  | 20             | 20                     | 22             | 0-45                            |
| Fixed Interest          | 9   | 9              | 11                     | 11             | 0-50                            |
| Cash                    | 29  | 29             | 27                     | 27             | 10-60                           |

## CAPITAL STABLE

|                         |   |                |                        |                |                                 |
|-------------------------|---|----------------|------------------------|----------------|---------------------------------|
| <b>Overview</b>         | The Capital Stable option invests in a diversified mix of assets, with an emphasis on fixed interest and cash. It's designed to provide stability of capital over the medium term combined with the prospect for limited capital growth.  |                |                        |                |                                 |
| <b>Return objective</b> | <b>To achieve returns after tax and fees that exceed the inflation rate (as measured by the CPI) by at least 2% per year (over rolling 10-year periods).</b> To ensure as far as possible that the investment return members receive each year is competitive with comparable options in other super funds. |                |                        |                |                                 |
| <b>Risk level</b>       | <b>Low to medium.</b> The chance of a negative annual return is 1.5 in every 20 years for super and transition to retirement accounts and 1.1 in every 20 years for full pension accounts.  |                |                        |                |                                 |
| <b>Asset mix</b>        | <b>Actual asset allocations (%) year ended:</b>   |                |                        |                | <b>Range (%)</b>                |
|                         | <b>30 June 2021</b>   |                | <b>30 June 2020</b>    |                |                                 |
|                         | <b>Super &amp; TTR</b>  | <b>Pension</b> | <b>Super &amp; TTR</b> | <b>Pension</b> | <b>Super, TTR &amp; Pension</b> |
| Australian Shares       | 12  | 14             | 10                     | 12             | 0-25                            |
| Overseas Shares         | 14  | 10             | 13                     | 9              | 0-25                            |
| Property                | 4   | 5              | 6                      | 7              | 0-15                            |
| Alternatives            | 16  | 17             | 18                     | 19             | 0-35                            |
| Fixed Interest          | 15  | 15             | 17                     | 17             | 0-50                            |
| Cash                    | 39  | 39             | 37                     | 37             | 10-70                           |

## CAPITAL GUARANTEED

|                         |   |                |                        |                |                                 |
|-------------------------|---|----------------|------------------------|----------------|---------------------------------|
| <b>Overview</b>         | 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. |                |                        |                |                                 |
| <b>Return objective</b> | <b>To achieve returns after tax and fees at least in line with the inflation rate (as measured by the CPI) over rolling 10-year periods.</b> To provide a full guarantee on capital and credited accrued interest. To provide 'smooth' returns which iron out market fluctuations and are never negative.   |                |                        |                |                                 |
| <b>Risk level</b>       | <b>Very low.</b> The chance of a negative annual return is nil in every 20 years.   |                |                        |                |                                 |
| <b>Asset mix</b>        | <b>Actual asset allocations (%) year ended:</b>   |                |                        |                | <b>Range (%)</b>                |
|                         | <b>30 June 2021</b>   |                | <b>30 June 2020</b>    |                |                                 |
|                         | <b>Super &amp; TTR</b>  | <b>Pension</b> | <b>Super &amp; TTR</b> | <b>Pension</b> | <b>Super, TTR &amp; Pension</b> |
| Capital Guaranteed      | 100   | 100            | 100                    | 100            | n/a                             |

## ASSET CLASS OPTIONS

### OVERSEAS SHARES

|                         |   |                |                        |                |                                 |
|-------------------------|---|----------------|------------------------|----------------|---------------------------------|
| <b>Overview</b>         | The Overseas Shares option invests in shares listed on the stock exchanges around the world, including both developed and emerging markets. To provide diversification a number of different investment managers with different approaches are appointed.   |                |                        |                |                                 |
| <b>Return objective</b> | To 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 outperform the return of the overseas share market (as measured by the MSCI All Country World ex-Australia Index in \$AUD).#<br>#The benchmark used is a composite of the hedged and unhedged MSCI All Country World ex-Australia indices to reflect use of currency hedging in managing the option. |                |                        |                |                                 |
| <b>Risk level</b>       | <b>High.</b> The chance of a negative annual return is 4.4 in every 20 years.   |                |                        |                |                                 |
| <b>Asset mix</b>        | <b>Actual asset allocations (%) year ended:</b>   |                |                        |                | <b>Range (%)</b>                |
|                         | <b>30 June 2021</b>   |                | <b>30 June 2020</b>    |                |                                 |
|                         | <b>Super &amp; TTR</b>  | <b>Pension</b> | <b>Super &amp; TTR</b> | <b>Pension</b> | <b>Super, TTR &amp; Pension</b> |
| Overseas Shares         | 100   | 100            | 100                    | 100            | n/a                             |

### AUSTRALIAN SHARES

|                         |  |                |                        |                |                                 |
|-------------------------|--|----------------|------------------------|----------------|---------------------------------|
| <b>Overview</b>         | The Australian Shares option invests mainly in shares of Australian companies listed on the Australian Securities Exchange (ASX). To provide diversification, a number of different investment managers with varying approaches are appointed.                     |                |                        |                |                                 |
| <b>Return objective</b> | To 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 outperform the return of the Australian share market (as measured by the S&P/ASX 300 Accumulation Index). |                |                        |                |                                 |
| <b>Risk level</b>       | <b>High.</b> The chance of a negative annual return is 5.4 in every 20 years.  |                |                        |                |                                 |
| <b>Asset mix</b>        | <b>Actual asset allocations (%) year ended:</b>  |                |                        |                | <b>Range (%)</b>                |
|                         | <b>30 June 2021</b>  |                | <b>30 June 2020</b>    |                |                                 |
|                         | <b>Super &amp; TTR</b>   | <b>Pension</b> | <b>Super &amp; TTR</b> | <b>Pension</b> | <b>Super, TTR &amp; Pension</b> |
| Australian Shares       | 100  | 100            | 100                    | 100            | n/a                             |

### DIRECT PROPERTY

|                         |  |                |                        |                |                                 |
|-------------------------|--|----------------|------------------------|----------------|---------------------------------|
| <b>Overview</b>         | The Direct Property option holds units in portfolios focused on core, high-quality properties – mainly CBD office buildings and large shopping centres. Returns may come from both rental income and capital growth.   |                |                        |                |                                 |
| <b>Return objective</b> | To 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 outperform the return of the Australian direct property market (as measured by the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index). |                |                        |                |                                 |
| <b>Risk level</b>       | <b>Medium to high.</b> The chance of a negative annual return is 3.2 in every 20 years.  |                |                        |                |                                 |
| <b>Asset mix</b>        | <b>Actual asset allocations (%) year ended:</b>  |                |                        |                | <b>Range (%)</b>                |
|                         | <b>30 June 2021</b>  |                | <b>30 June 2020</b>    |                |                                 |
|                         | <b>Super &amp; TTR</b>   | <b>Pension</b> | <b>Super &amp; TTR</b> | <b>Pension</b> | <b>Super, TTR &amp; Pension</b> |
| Direct Property         | 100  | 100            | 100                    | 100            | n/a                             |

## FIXED INTEREST

**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 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 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).

**Risk level** **Low to medium.** The chance of a negative annual return is 1.2 in every 20 years.

| Asset mix      | Actual asset allocations (%) year ended: |         |              |         | Range (%) |
|----------------|--|---------|--------------|---------|-----------|
|                | 30 June 2021                             |         | 30 June 2020 |         |           |
|                | Super & TTR                              | Pension | Super & TTR  | Pension |           |
| Fixed Interest | 67                                       | 66      | 66           | 66      | 50-100    |
| Cash           | 33                                       | 34      | 34           | 34      | 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 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). **To outperform the return of the Australian cash market (as measured by the Bloomberg AusBond Bank Bill Index).**

**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 2021                             |         | 30 June 2020 |         |           |
|           | Super & TTR                              | Pension | Super & TTR  | Pension |           |
| Cash      | 100                                      | 100     | 100          | 100     | n/a       |

# Returns at a glance

Here are our compound average returns (after investment fees, indirect costs and tax) as at 30 June 2021.

## SUPER

| Investment choice          | 2021   | 2020   | 2019  | 2018   | 2017   | 2016   | 10 yr  | 7 yr   | 5 yr   | 3 yr   |
|----------------------------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|
| <b>Managed options</b>     |        |        |       |        |        |        |        |        |        |        |
| Balanced                   | 17.49% | 0.22%  | 6.88% | 10.10% | 11.70% | 4.45%  | 9.13%  | 8.68%  | 9.13%  | 7.96%  |
| Growth                     | 21.32% | -0.43% | 7.13% | 11.53% | 13.69% | 3.04%  | 10.08% | 9.52%  | 10.41% | 8.97%  |
| Alternative Growth         | 15.47% | -0.19% | 6.45% | 9.59%  | 11.54% | 5.47%  | 8.81%  | 8.19%  | 8.44%  | 7.05%  |
| Sustainable Balanced       | 16.76% | 2.05%  | 9.37% | 8.53%  | 9.36%  | 4.35%  | 8.98%  | 8.52%  | 9.12%  | 9.23%  |
| Conservative Balanced      | 11.40% | 0.15%  | 5.52% | 7.21%  | 8.83%  | 3.08%  | 7.06%  | 6.29%  | 6.56%  | 5.59%  |
| Capital Stable             | 8.22%  | 0.51%  | 4.96% | 5.73%  | 6.86%  | 3.56%  | 5.98%  | 5.19%  | 5.22%  | 4.52%  |
| Capital Guaranteed         | 0.42%  | 1.58%  | 1.89% | 1.64%  | 1.65%  | 2.27%  | 1.73%  | 1.76%  | 1.44%  | 1.30%  |
| <b>Asset class options</b> |        |        |       |        |        |        |        |        |        |        |
| Overseas Shares            | 29.47% | 3.53%  | 7.22% | 12.04% | 18.56% | -0.39% | 13.22% | 12.57% | 13.81% | 12.85% |
| Australian Shares          | 27.82% | -6.50% | 7.74% | 15.93% | 14.72% | 0.19%  | 9.53%  | 9.15%  | 11.36% | 8.79%  |
| Direct Property            | 7.50%  | 1.69%  | 8.37% | 12.74% | 12.94% | 13.34% | 8.75%  | 9.38%  | 8.57%  | 5.81%  |
| Fixed Interest             | 1.15%  | 2.41%  | 5.53% | 2.14%  | 1.77%  | 4.05%  | 4.39%  | 3.12%  | 2.59%  | 3.02%  |
| Cash                       | 0.16%  | 1.13%  | 2.00% | 1.92%  | 2.08%  | 2.44%  | 2.29%  | 1.78%  | 1.46%  | 1.10%  |

## TRANSITION TO RETIREMENT (TTR)

| Investment choice          | 2021   | 2020   | 2019  | 2018   | 2017   | 2016   | 10 yr  | 7 yr   | 5 yr   | 3 yr   |
|----------------------------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|
| <b>Managed options</b>     |        |        |       |        |        |        |        |        |        |        |
| Balanced                   | 17.49% | 0.22%  | 6.88% | 10.10% | 12.67% | 4.89%  | 9.74%  | 9.00%  | 9.32%  | 7.96%  |
| Growth                     | 21.32% | -0.43% | 7.13% | 11.53% | 14.68% | 3.89%  | 10.74% | 9.93%  | 10.60% | 8.97%  |
| Alternative Growth         | 15.47% | -0.19% | 6.45% | 9.59%  | 12.81% | 5.88%  | 9.32%  | 8.57%  | 8.69%  | 7.05%  |
| Sustainable Balanced       | 16.76% | 2.05%  | 9.37% | 8.53%  | 10.22% | 4.58%  | 9.64%  | 8.82%  | 9.29%  | 9.23%  |
| Conservative Balanced      | 11.40% | 0.15%  | 5.52% | 7.21%  | 9.53%  | 3.77%  | 7.60%  | 6.57%  | 6.69%  | 5.59%  |
| Capital Stable             | 8.22%  | 0.51%  | 4.96% | 5.73%  | 7.47%  | 4.08%  | 6.46%  | 5.47%  | 5.34%  | 4.52%  |
| Capital Guaranteed         | 0.42%  | 1.58%  | 1.89% | 1.64%  | 2.03%  | 2.61%  | 1.87%  | 1.94%  | 1.51%  | 1.30%  |
| <b>Asset class options</b> |        |        |       |        |        |        |        |        |        |        |
| Overseas Shares            | 29.47% | 3.53%  | 7.22% | 12.04% | 20.94% | -0.45% | 14.16% | 13.07% | 14.26% | 12.85% |
| Australian Shares          | 27.82% | -6.50% | 7.74% | 15.93% | 16.35% | 1.27%  | 10.30% | 9.62%  | 11.67% | 8.79%  |
| Direct Property            | 7.50%  | 1.69%  | 8.37% | 12.74% | 14.95% | 14.86% | 9.54%  | 10.06% | 8.95%  | 5.81%  |
| Fixed Interest             | 1.15%  | 2.41%  | 5.53% | 2.14%  | 2.23%  | 4.68%  | 4.86%  | 3.36%  | 2.68%  | 3.02%  |
| Cash                       | 0.16%  | 1.13%  | 2.00% | 1.92%  | 2.43%  | 2.66%  | 2.59%  | 1.93%  | 1.53%  | 1.10%  |

## PENSION

| Investment choice          | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 10 yr  | 7 yr   | 5 yr   | 3 yr   |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Managed options</b>     |        |        |        |        |        |        |        |        |        |        |
| Balanced                   | 18.92% | -0.91% | 7.50%  | 11.09% | 12.67% | 4.89%  | 9.91%  | 9.24%  | 9.66%  | 8.20%  |
| Growth                     | 23.30% | -1.63% | 7.98%  | 12.58% | 14.68% | 3.89%  | 10.98% | 10.27% | 11.08% | 9.41%  |
| Alternative Growth         | 16.53% | -1.09% | 6.81%  | 10.90% | 12.81% | 5.88%  | 9.49%  | 8.81%  | 9.02%  | 7.18%  |
| Sustainable Balanced       | 19.42% | 1.06%  | 10.60% | 9.60%  | 10.22% | 4.58%  | 10.01% | 9.34%  | 10.03% | 10.10% |
| Conservative Balanced      | 12.85% | -0.50% | 6.10%  | 8.31%  | 9.53%  | 3.77%  | 7.84%  | 6.91%  | 7.16%  | 6.01%  |
| Capital Stable             | 8.72%  | 0.23%  | 5.54%  | 6.42%  | 7.47%  | 4.08%  | 6.61%  | 5.68%  | 5.63%  | 4.77%  |
| Capital Guaranteed         | 0.55%  | 1.91%  | 2.28%  | 1.97%  | 2.03%  | 2.61%  | 1.99%  | 2.11%  | 1.75%  | 1.58%  |
| <b>Asset class options</b> |        |        |        |        |        |        |        |        |        |        |
| Overseas Shares            | 32.36% | 3.63%  | 8.28%  | 13.96% | 20.94% | -0.45% | 14.73% | 13.87% | 15.40% | 14.09% |
| Australian Shares          | 32.32% | -7.67% | 8.80%  | 17.86% | 16.35% | 1.27%  | 10.83% | 10.38% | 12.76% | 9.95%  |
| Direct Property            | 7.60%  | 1.71%  | 8.79%  | 13.84% | 14.95% | 14.86% | 9.70%  | 10.29% | 9.27%  | 5.99%  |
| Fixed Interest             | 1.45%  | 2.78%  | 6.41%  | 2.50%  | 2.23%  | 4.68%  | 5.05%  | 3.63%  | 3.06%  | 3.52%  |
| Cash                       | 0.26%  | 1.27%  | 2.39%  | 2.26%  | 2.43%  | 2.66%  | 2.69%  | 2.07%  | 1.72%  | 1.30%  |

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.

# 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 2021 and 30 June 2020.

| CareSuper's investment managers during 2020/21        | Investments held by managers |               |                 |               |
|---|------------------------------|---------------|-----------------|---------------|
|   | 2021                         |               | 2020            |               |
|   | \$m                          | % of Fund     | \$m             | % of Fund     |
| <b>Absolute Return</b>                                |                              |               |                 |               |
| BNP Absolute Return Fixed Interest Trust <sup>4</sup> | 8.74                         | 0.05%         | 161.36          | 1.03%         |
| Coolabah Capital Credit Fund                          | 367.26                       | 1.93%         | 196.81          | 1.26%         |
| Insight Absolute Return Bond Fund <sup>5</sup>        | 0.00                         | 0.00%         | 14.43           | 0.09%         |
| Wellington Global Total Return                        | 207.83                       | 1.09%         | 175.47          | 1.12%         |
| <b>Total</b>  | <b>583.83</b>                | <b>3.07%</b>  | <b>548.07</b>   | <b>3.50%</b>  |
| <b>Australian Shares</b>                              |                              |               |                 |               |
| Airlie Australian Equities                            | 574.72                       | 2.97%         | 238.22          | 1.52%         |
| Alphinity Australian Shares <sup>1</sup>              | 503.02                       | 2.60%         | 0.00            | 0.00%         |
| IFM Enhanced Index Equities                           | 953.01                       | 4.93%         | 725.45          | 4.63%         |
| IFM Recap Australia Strategy <sup>2</sup>             | 0.00                         | 0.00%         | 20.07           | 0.13%         |
| Lennox Capital Partners Australian Equities           | 210.54                       | 1.09%         | 148.27          | 0.95%         |
| Ophir High Conviction Australian Equities             | 172.82                       | 0.89%         | 133.11          | 0.85%         |
| Ophir Opportunities Fund                              | 143.04                       | 0.74%         | 106.07          | 0.68%         |
| Optar Australian Equities                             | 354.68                       | 1.83%         | 171.27          | 1.09%         |
| Paradise Investment Management Large Caps             | 880.58                       | 4.55%         | 668.97          | 4.27%         |
| Schroders Australian Equities <sup>2</sup>            | 0.08                         | 0.00%         | 682.83          | 4.36%         |
| Ubique Australian Equities                            | 649.86                       | 3.36%         | 463.54          | 2.96%         |
| <b>Total</b>  | <b>4,442.36</b>              | <b>22.96%</b> | <b>3,357.79</b> | <b>21.43%</b> |
| <b>Capital Guaranteed</b>                             |                              |               |                 |               |
| AMP Guaranteed Savings Account <sup>3</sup>           | 151.60                       | 0.78%         | 157.07          | 1.00%         |
| Challenger Fixed Term Annuity                         | 40.09                        | 0.21%         | 0.00            | 0.00%         |
| <b>Total</b>  | <b>191.69</b>                | <b>0.99%</b>  | <b>157.07</b>   | <b>1.00%</b>  |
| <b>Cash</b>   |                              |               |                 |               |
| First Sentier Wholesale Cash                          | 1,303.00                     | 6.73%         | 1121.59         | 7.16%         |
| Term Deposits   | 849.33                       | 4.39%         | 565.06          | 3.61%         |
| <b>Total</b>  | <b>2,152.33</b>              | <b>11.12%</b> | <b>1,686.65</b> | <b>10.77%</b> |
| <b>Credit</b>   |                              |               |                 |               |
| Apollo Credit Fund                                    | 160.44                       | 0.83%         | 149.70          | 0.96%         |
| Apollo Athene Dedicated Investment Program            | 37.43                        | 0.19%         | 19.32           | 0.12%         |
| Barings Multi Strategy Credit                         | 193.25                       | 1.00%         | 236.30          | 1.51%         |
| HayFin Direct Lending Fund                            | 1.35                         | 0.01%         | 4.80            | 0.03%         |
| HayFin Direct Lending Fund II                         | 82.30                        | 0.43%         | 94.83           | 0.61%         |
| IFM Infrastructure Debt                               | 16.75                        | 0.09%         | 18.03           | 0.12%         |
| Marathon Multi Strategy Credit                        | 307.75                       | 1.59%         | 244.82          | 1.56%         |
| Shenkman Capital Bank Loans                           | 247.37                       | 1.28%         | 249.45          | 1.59%         |
| <b>Total</b>  | <b>1,046.63</b>              | <b>5.41%</b>  | <b>1,017.25</b> | <b>6.49%</b>  |

| CareSuper's investment managers during 2020/21               | Investments held by managers |               |                 |               |
|--|------------------------------|---------------|-----------------|---------------|
|  | 2021                         |               | 2020            |               |
|  | \$m                          | % of Fund     | \$m             | % of Fund     |
| <b>Direct Property</b>                                       |                              |               |                 |               |
| Charter Hall Prime Office Fund                               | 396.30                       | 2.05%         | 448.54          | 2.86%         |
| Dexus Wholesale Property Fund                                | 637.75                       | 3.30%         | 690.41          | 4.41%         |
| Eureka Development Fund No. 2 <sup>5</sup>                   | 0.00                         | 0.00%         | 0.01            | 0.00%         |
| ISPT Core Fund   | 588.01                       | 3.04%         | 627.88          | 4.01%         |
| ISPT Development & Opportunities Fund No. 2 <sup>4</sup>     | 0.58                         | 0.00%         | 3.44            | 0.02%         |
| ISPT Retail Australia Property Trust                         | 153.55                       | 0.79%         | 146.23          | 0.93%         |
| Lend Lease Australian Prime Property Fund Retail             | 20.74                        | 0.11%         | 20.92           | 0.13%         |
| Nuveen US Cities Industrial Fund <sup>1</sup>                | 5.86                         | 0.03%         | 0.00            | 0.00%         |
| Nuveen US Cities Multifamily Fund <sup>1</sup>               | 48.02                        | 0.25%         | 0.00            | 0.00%         |
| <b>Total</b>   | <b>1,850.81</b>              | <b>9.57%</b>  | <b>1,937.43</b> | <b>12.37%</b> |
| <b>Fixed Interest</b>  |                              |               |                 |               |
| Brandywine Global Fixed Income Fund                          | 157.71                       | 0.83%         | 147.68          | 0.94%         |
| IFM Specialised Credit Fund                                  | 20.87                        | 0.11%         | 79.24           | 0.51%         |
| Janus Henderson Australian Fixed Interest                    | 252.83                       | 1.33%         | 200.14          | 1.28%         |
| ME Bank Super Loans Trust <sup>5</sup>                       | 0.00                         | 0.00%         | 0.51            | 0.00%         |
| UBS Australian Fixed Interest                                | 336.95                       | 1.74%         | 238.96          | 1.53%         |
| Western Fixed Income   | 333.87                       | 1.73%         | 277.35          | 1.77%         |
| <b>Total</b>   | <b>1,102.24</b>              | <b>5.74%</b>  | <b>943.88</b>   | <b>6.03%</b>  |
| <b>Infrastructure</b>  |                              |               |                 |               |
| AMP Capital Infrastructure Equity Fund                       | 244.25                       | 1.28%         | 243.55          | 1.55%         |
| Antin Co Investment Fund                                     | 56.55                        | 0.30%         | 32.17           | 0.21%         |
| Antin Infrastructure Fund <sup>4</sup>                       | 0.03                         | 0.00%         | 0.03            | 0.00%         |
| Antin Infrastructure Fund III                                | 128.22                       | 0.67%         | 120.82          | 0.77%         |
| Antin Infrastructure Fund III-B <sup>1</sup>                 | 28.66                        | 0.15%         | 0.00            | 0.00%         |
| Antin Infrastructure Fund IV                                 | 24.09                        | 0.13%         | 1.39            | 0.01%         |
| Antin Infrastructure Fund IV Co Investment Fund <sup>1</sup> | 10.13                        | 0.05%         | 0.00            | 0.00%         |
| IFM Australian Infrastructure Fund                           | 340.24                       | 1.79%         | 315.79          | 2.02%         |
| Macquarie Global Infrastructure Fund II                      | 1.59                         | 0.01%         | 1.84            | 0.01%         |
| Morrison Utilities Trust Of Australia                        | 381.39                       | 2.01%         | 341.03          | 2.18%         |
| <b>Total</b>   | <b>1,215.14</b>              | <b>6.39%</b>  | <b>1,056.60</b> | <b>6.74%</b>  |
| <b>Overseas Shares</b>                                       |                              |               |                 |               |
| Antipodes Partners Global Equity                             | 750.20                       | 3.95%         | 575.37          | 3.67%         |
| Baillie Gifford Long Term Global Growth                      | 339.28                       | 1.78%         | 343.75          | 2.19%         |
| GQG Emerging Markets   | 192.02                       | 1.01%         | 103.81          | 0.66%         |
| Intermede Global Equities                                    | 526.70                       | 2.77%         | 399.71          | 2.55%         |
| MFS Global Equity Trust                                      | 1079.45                      | 5.68%         | 843.36          | 5.38%         |
| Neuberger Berman Emerging Markets                            | 189.63                       | 1.00%         | 153.85          | 0.98%         |
| Orbis Global Equity Fund                                     | 426.33                       | 2.24%         | 323.61          | 2.07%         |
| Robeco Global Equities                                       | 720.28                       | 3.79%         | 560.11          | 3.58%         |
| Skerryvore Emerging Markets                                  | 194.79                       | 1.02%         | 154.60          | 0.99%         |
| Wellington Global Contrarian Equity                          | 625.90                       | 3.29%         | 477.61          | 3.05%         |
| <b>Total</b>   | <b>5,044.58</b>              | <b>26.54%</b> | <b>3,935.79</b> | <b>25.12%</b> |

| CareSuper's investment managers during 2020/21                | Investments held by managers |              |                  |              |
|---|------------------------------|--------------|------------------|--------------|
|   | 2021                         |              | 2020             |              |
|   | \$m                          | % of Fund    | \$m              | % of Fund    |
| <b>Private Equity</b>   |                              |              |                  |              |
| Advent Private Capital V <sup>5</sup>                         | 0.00                         | 0.00%        | 0.61             | 0.00%        |
| Bain Capital Fund IX <sup>4</sup>                             | 0.08                         | 0.00%        | 0.77             | 0.00%        |
| Coller International Partners V                               | 0.38                         | 0.00%        | 0.70             | 0.00%        |
| HarbourVest Co-Investment Opportunities Fund                  | 98.63                        | 0.52%        | 49.38            | 0.32%        |
| HarbourVest Partners IV                                       | 130.01                       | 0.68%        | 87.87            | 0.56%        |
| Highland Credit Opportunities Fund                            | 4.60                         | 0.02%        | 5.01             | 0.03%        |
| IFM Australian Private Equity Fund III                        | 0.26                         | 0.00%        | 0.49             | 0.00%        |
| IFM Australian Private Equity Fund IV                         | 2.03                         | 0.01%        | 2.50             | 0.02%        |
| IFM International Private Equity Fund I                       | 0.25                         | 0.00%        | 0.22             | 0.00%        |
| IFM International Private Equity Fund II                      | 1.62                         | 0.01%        | 1.65             | 0.01%        |
| IFM International Private Equity Fund III                     | 18.04                        | 0.09%        | 18.15            | 0.12%        |
| Industry Super Holdings Pty Ltd                               | 43.62                        | 0.23%        | 35.60            | 0.23%        |
| LGT Crown Europe Middle Market II                             | 25.56                        | 0.13%        | 17.63            | 0.11%        |
| LGT Crown Global Secondaries II                               | 5.17                         | 0.03%        | 5.19             | 0.03%        |
| LGT Crown Secondaries Special Opportunities II <sup>1</sup>   | 16.89                        | 0.09%        | 0.00             | 0.00%        |
| LGT Crown Secondaries Special Opportunities II B <sup>1</sup> | 2.17                         | 0.01%        | 0.00             | 0.00%        |
| Members Equity Bank Pty Ltd                                   | 46.56                        | 0.24%        | 41.39            | 0.26%        |
| Partners Group Direct Investments 2012                        | 114.42                       | 0.60%        | 91.35            | 0.58%        |
| Partners Group Direct Investments 2016                        | 170.70                       | 0.90%        | 122.51           | 0.78%        |
| Partners Group Direct Investments 2019                        | 18.71                        | 0.10%        | 6.27             | 0.04%        |
| Partners Group Secondary 2008                                 | 3.55                         | 0.02%        | 3.55             | 0.02%        |
| Partners Group Secondary 2011                                 | 45.69                        | 0.24%        | 40.75            | 0.26%        |
| Partners Group Yarra LP                                       | 66.65                        | 0.35%        | 36.39            | 0.23%        |
| Siguler Guff Collins Fund                                     | 112.17                       | 0.59%        | 66.99            | 0.43%        |
| Siguler Guff Distressed Opportunities IV                      | 35.98                        | 0.19%        | 39.51            | 0.25%        |
| Siguler Guff Small Buyout Opportunities Fund II               | 65.14                        | 0.34%        | 73.97            | 0.47%        |
| Siguler Guff Small Buyout Opportunities Fund III              | 49.06                        | 0.26%        | 43.25            | 0.28%        |
| Siguler Guff Small Buyout Opportunities Fund IV               | 16.49                        | 0.09%        | 6.84             | 0.04%        |
| Stafford International Timberland VI                          | 19.72                        | 0.10%        | 20.95            | 0.13%        |
| Wilshire Private Markets                                      | 8.85                         | 0.05%        | 11.67            | 0.07%        |
| Wilshire Private Markets Asia No. 2                           | 0.98                         | 0.01%        | 1.29             | 0.01%        |
| <b>Total</b>  | <b>1,123.99</b>              | <b>5.91%</b> | <b>832.45</b>    | <b>5.31%</b> |
| <b>Sustainable Australian Shares</b>                          |                              |              |                  |              |
| Alphinity Sustainable Shares                                  | 76.50                        | 0.40%        | 57.72            | 0.37%        |
| DNR Socially Responsible Australian Equities                  | 44.92                        | 0.24%        | 33.40            | 0.21%        |
| <b>Total</b>  | <b>121.42</b>                | <b>0.64%</b> | <b>91.13</b>     | <b>0.58%</b> |
| <b>Sustainable Overseas Shares</b>                            |                              |              |                  |              |
| Baillie Gifford Positive Change                               | 17.09                        | 0.09%        | 15.29            | 0.10%        |
| Impax Asset Management  | 46.22                        | 0.24%        | 36.32            | 0.23%        |
| Robeco Sustainable Global Equities                            | 70.68                        | 0.37%        | 50.00            | 0.32%        |
| <b>Total</b>  | <b>133.99</b>                | <b>0.70%</b> | <b>101.61</b>    | <b>0.65%</b> |
|   | <b>19,009.00</b>             | <b>100%</b>  | <b>15,665.73</b> | <b>100%</b>  |

<sup>1</sup> Appointed/added during 2020/21.

<sup>2</sup> Terminated during 2020/21.

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

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

<sup>5</sup> Investment wind down complete. All distributions received.

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 \$19.7 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 2021 are set out in the tables below.

## AUSTRALIAN SHARES

| Security                                     | % of asset class | % of Balanced (MySuper) option |
|--|------------------|--------------------------------|
| BHP Group Ltd                                | 7.73%            | 1.73%                          |
| Commonwealth Bank of Australia               | 6.89%            | 1.54%                          |
| Westpac Banking Corporation                  | 4.68%            | 1.05%                          |
| National Australia Bank Ltd                  | 4.66%            | 1.04%                          |
| CSL Ltd                                      | 3.92%            | 0.88%                          |
| Australian and New Zealand Banking Group Ltd | 3.78%            | 0.85%                          |
| Macquarie Group Ltd                          | 2.55%            | 0.57%                          |
| Wesfarmers Ltd                               | 2.39%            | 0.54%                          |
| Goodman Group                                | 1.50%            | 0.34%                          |
| QBE Insurance Group Ltd                      | 1.49%            | 0.33%                          |
| Qantas Airways Ltd                           | 1.48%            | 0.33%                          |
| Woolworths Group Ltd                         | 1.43%            | 0.32%                          |
| Rio Tinto Ltd                                | 1.43%            | 0.32%                          |
| South32 Ltd                                  | 1.41%            | 0.32%                          |
| Incitec Pivot Ltd                            | 1.40%            | 0.31%                          |
| Sims Ltd                                     | 1.25%            | 0.28%                          |
| OZ Minerals Ltd                              | 1.15%            | 0.26%                          |
| Telstra Corporation Ltd                      | 1.15%            | 0.26%                          |
| Virgin Money UK plc                          | 1.15%            | 0.26%                          |
| Metcash Ltd                                  | 1.15%            | 0.26%                          |
| <b>Total of asset class</b>                  | <b>52.59%</b>    | <b>11.79%</b>                  |

## OVERSEAS SHARES

| Security                                  | % of asset class | % of Balanced (MySuper) option |
|---|------------------|--------------------------------|
| Facebook Inc                              | 1.93%            | 0.54%                          |
| Taiwan Semiconductor Manufacturing Co Ltd | 1.55%            | 0.43%                          |
| Samsung Electronics Co Ltd                | 1.39%            | 0.39%                          |
| Amazon.Com Inc                            | 1.36%            | 0.38%                          |
| Alphabet Inc                              | 1.31%            | 0.36%                          |
| Tencent Holdings Ltd                      | 1.10%            | 0.31%                          |
| Comcast Corp                              | 1.08%            | 0.30%                          |
| Alibaba Group                             | 1.07%            | 0.30%                          |
| Microsoft Corp                            | 1.06%            | 0.29%                          |
| Nestle Sa                                 | 0.99%            | 0.28%                          |
| Heineken Nv                               | 0.99%            | 0.28%                          |
| Medtronic Plc                             | 0.90%            | 0.25%                          |
| Apple Inc                                 | 0.86%            | 0.24%                          |
| Linde Plc                                 | 0.86%            | 0.24%                          |
| Charles Schwab Corp                       | 0.85%            | 0.24%                          |
| Accenture Plc                             | 0.82%            | 0.23%                          |
| Walt Disney Co                            | 0.82%            | 0.23%                          |
| Netease Inc                               | 0.75%            | 0.21%                          |
| Housing Development Finance Corp Ltd      | 0.75%            | 0.21%                          |
| Thermo Fisher Scientific                  | 0.74%            | 0.21%                          |
| <b>Total of asset class</b>               | <b>21.18%</b>    | <b>5.89%</b>                   |

## PROPERTY

| Location                     | % of asset class |
|------------------------------|------------------|
| New South Wales              | 44.7%            |
| Victoria                     | 23.6%            |
| Queensland                   | 18.5%            |
| Western Australia            | 5.8%             |
| Australian Capital Territory | 2.5%             |
| South Australia              | 2.0%             |
| Offshore (US)                | 2.9%             |
| <b>Total</b>                 | <b>100.00%</b>   |
| Sector                       | % of asset class |
| Retail                       | 29.7%            |
| Office                       | 57.9%            |
| Industrial                   | 8.3%             |
| Multifamily (US)             | 2.6%             |
| Other                        | 1.5%             |
| <b>Other</b>                 | <b>100.0%</b>    |

## INFRASTRUCTURE

| Location                     | % of assets    |
|------------------------------|----------------|
| Overseas                     | 30.7%          |
| New South Wales              | 24.6%          |
| Victoria                     | 21.5%          |
| Queensland                   | 7.1%           |
| Western Australia            | 11.3%          |
| Tasmania                     | 0.0%           |
| Northern Territory           | 1.3%           |
| South Australia              | 1.7%           |
| Australian Capital Territory | 1.9%           |
| <b>Total</b>                 | <b>100.0%</b>  |
| Types of infrastructure      |                |
| Airports                     | 34.8%          |
| Seaports                     | 7.4%           |
| Other Economic               | 6.8%           |
| Utilities                    | 24.0%          |
| Social                       | 10.7%          |
| Communications               | 12.9%          |
| Energy                       | 0.7%           |
| Other                        | 2.7%           |
| <b>Total</b>                 | <b>100.00%</b> |

## FIXED INTEREST

| Government (Sovereign) bonds/cash |          |               | Non-government |          |               |               |
|-----------------------------------|----------|---------------|----------------|----------|---------------|---------------|
| Australia                         | Overseas | Sub-total     | Australia      | Overseas | Sub-total     | Total         |
| 26.21%                            | 23.00%   | <b>49.21%</b> | 27.46%         | 23.34%   | <b>50.80%</b> | <b>100.0%</b> |

| Credit rating |        |        |        |           |  |               |
|---------------|--------|--------|--------|-----------|--|---------------|
| AAA           | AA     | A      | BBB    | Below BBB |  | Total         |
| 49.38%        | 15.75% | 13.36% | 19.10% | 2.40%     |  | <b>100.0%</b> |

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 competitive and affordable insurance.

Our members are saving for their future lifestyles, however superannuation can also protect them now. We offer competitive and affordable insurance to eligible members to provide cover in the event of death, terminal illness, total and permanent disablement and temporary disablement.

CareSuper's insurance offering has been designed for our professionally oriented members who are in lower-risk occupations, meaning we've been able to negotiate competitive fees with our insurer. CareSuper does not make a profit from providing insurance to members, and it's one of the most cost-effective ways to access the benefits of insurance.

### INSURANCE CLAIMS PAID FY 2020/21

Here's an overview of the insurance claims paid to members and their beneficiaries this year.



Total insurance applications received

**6,689**

Death insurance: **2,714**

TPD insurance: **2,621**

Income protection insurance: **1,354**



Insurance claims paid

**89.4%**

Death claims: **98.8%**

Terminal illness: **100%**

TPD claims: **84.1%**

Income protection claims: **89.5%**



Dollars paid in insured benefits to members and their beneficiaries:

**\$71.3m**

### WE ARE COMMITTED TO:

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

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

**2. Fair and personalised approach to insurance claims management**

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 (as quickly as possible following the receipt and assessment of all relevant information). We will do everything reasonable to pursue an insurance claim for members and/or their beneficiaries if the claim has a reasonable prospect of success.

**3. 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.



## COMMITMENT TO THE INSURANCE IN SUPERANNUATION CODE OF PRACTICE

This year we completed implementing the requirements under the voluntary Insurance in Superannuation Code of Practice (the Code). The Code has since been replaced by a new Claims handling guidance note due to large parts of the Code becoming redundant as a result of legislative reform and regulatory changes. Our commitment to the elements of the Code will continue – including providing clear communication to members, more information about tailoring and cancelling insurance, strengthening our claims

process, and improvements to our enquiries and complaints processes. It's all part of our effort to help simplify and build understanding around insurance in super.

## CORPORATE INSURANCE ARRANGEMENTS

Some employers choose to arrange more tailored insurance through CareSuper for their employees as part of their overall employment benefits. We established three new corporate insurance arrangements for employers this year, and we also introduced a new employer-paid premium arrangement.

## PRODUCT DESIGN

We continually review our insurance offering to ensure it remains relevant to members. This year we completed the following reviews:

- Occupational category review to assess the impact of members being defaulted to the General occupational category. This resulted in a member communication campaign which led to more than 400 members changing their category if they were eligible to do so.
- 'Activities of daily living' definition review: This forms part of the terms and conditions for CareSuper's total and permanent (TPD) disablement cover.



# Governance

## CareSuper Board

It's our Board's responsibility to ensure CareSuper is managed in the best interests of members and employers and good governance is essential to that.

The CareSuper Board has adopted the standards of the Australian Institute of Superannuation Trustees (AIST) Governance Code. These standards promote continuous improvement in governance practices and go beyond regulatory requirements. They aim 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 2021. 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. During the year we welcomed Vanessa Seagrove to the Board as a Member Director, replacing Sascha Peldova-McClelland. 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 2021 and the results were used to debrief the combined group and identify issues for improvement. See the Board skills and performance matrix for more information.

### DIRECTORS DURING FINANCIAL YEAR 2020/21



**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.



### CR LINDA SCOTT

Councillor Linda Scott is an experienced Board Director, serving as the Deputy Chair of CareSuper, the Chair of the Australian Local Government Association and Local Government NSW, the peak body for NSW Councils. Linda is also currently serving as a Councillor on the City of Sydney Council, formerly serving as Deputy Lord Mayor.

Linda serves on a number of Commonwealth Government bodies, including the National Reform Federal Council with the Prime Minister and premiers, and a range of subcommittees of the National Cabinet. She also serves on a range of NSW Government boards, including the NSW Environmental Trust. She participates in the annual CEO Sleepout, and is passionate about taking action on climate change and the creation of more 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.

**Deputy Chair –  
Member Director**  
Position since  
1 January 2020

**Current term  
commenced**  
11 December 2018

### Qualifications

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

### CareSuper Board committee membership

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



### 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.

**Member Director**  
Position since  
1 January 2020

**Current term  
commenced**  
1 January 2020

### Qualifications

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

### CareSuper Board committee membership

- Compliance Audit & Risk Management Committee
- Investment Committee

# CareSuper Board (continued)



## 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



## 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 and is part of the ACTU National Executive and ACTU Finance Committee. 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



### 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

# CareSuper Board (continued)



## 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, Director of Medical Indemnity Protection Society 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 Chair and CEO 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

- Benefit Payments Committee
- Governance and Remuneration Committee
- Member & Employer Services Committee



**VANESSA SEAGROVE**

Vanessa Seagrove is the Assistant Secretary of Unions SW and a member of the Unions NSW Finance and Governance Committee and Executive. She is the Chair of Sydney International Women’s Day, a member of the Correctional Industries Consultative Committee NSW, a delegate for the ACTU Conference and an alternate delegate for the ACTU Executive, and a member of the ALP Administrative Committee.

Vanessa brings more than 30 years of experience and skills in strategy, planning, advocacy and leadership to the CareSuper Board. In past roles with the Australian Manufacturing Workers Union, the Finance Sector Union and the Community and Public Sector Union, she has worked closely with industry funds while holding a range of leadership positions.

Vanessa has strong interests in social policy, unionism, law and equality. She has always prioritised the financial security of union members and works to educate them on the importance of superannuation for a good retirement.

Vanessa was nominated as a member director by Unions NSW.

**Member Director**  
since  
23 April 2020

**Current term**  
commenced  
23 April 2020

**CareSuper Board committee membership**

- Member and Employer Services Committee
- Benefit Payments 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**  
ceased as director  
on 22 April 2021

**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

## 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) (resigned 12 July 2021)

### MICHELLE GARDINER

- IFM Shareholder Advisory Board (remunerated)
- ACSI – Director/Deputy President

### 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

### VANESSA SEAGROVE

- Assistant Secretary, Unions NSW

## 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.

# Our People

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



**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.'*

*'Over 220,000 Australians trust us with their super – ultimately to provide financial wellbeing after their working years. That's 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 through 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-based organisations in the professional services sector.

Julie is passionate about supporting life-saving breast cancer research and has participated in the Women in Super Mother's Day Classic Corporate Challenge for 7 years in a row, raising over \$100,000 to date. Julie also advocates for helping people (especially women) to achieve greater financial security.

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 a Member of AHRI and AICD.

Appointed  
2001



**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 almost 30 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 16 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  
2015

# Our People (continued)



Appointed  
2021

## **SAM HORSKINS** Chief Financial Officer (CFO)

*'We must instil a strategic financial approach and mindset throughout CareSuper for the benefit of our members.'*

Sam is responsible for overseeing the statutory and operational finance function, reporting, commercial and taxation matters at CareSuper.

A highly experienced finance and operations executive, Sam has led teams across financial services organisations including super funds for more than 20 years. He has a proven record guiding large organisations to successfully deliver on business performance, growth and continuous improvement.

As a leader, Sam takes a strategic financial mindset to all business activity. He is passionate about communicating vision and purpose, emphasising accountability, developing talent and driving positive change across organisations.

Sam previously held the CFO role at public sector super fund VicSuper (which has since merged with Aware Super), financial and professional services company Guild Group, and insurance broker OAMPS. He started his career at Ernst & Young where he held roles consulting to a range of clients across the insurance, banking and funds management industries.

Sam is a member of the Institute of Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce from the University of Melbourne.



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 26 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 Diploma 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.



**PETER THEODORAKOPOULOS**  
**Chief Marketing Officer**

*'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 (CX) capabilities. He is passionate about embedding CX at the heart of CareSuper's marketing strategy to ensure the fund's strong alignment with members and employers, and to strengthen customer satisfaction.

Peter leads a talented team of professionals who have a clear focus on delivering and shaping a focused marketing program that ensures 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 superannuation industry.

**Appointed**  
2002



**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.

**Appointed**  
2017

## RECRUITMENT

We welcomed 24 new employees during the year, bringing the total number of CareSuper employees to 129.

## ENGAGEMENT

Each year we survey our staff to see how they view working at CareSuper. The 2020 staff engagement survey showed staff agreed that:

- We have a strong member focus
- We look after the wellbeing of our people, particularly during COVID
- We have a strong internal culture.

We also completed a number of 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. Staff levels remained steady with turnover of 13%, in comparison to the financial services industry average of 16%.<sup>^</sup>

<sup>^</sup> Financial Institutions Remuneration Group Attrition Survey, October 2021

# Remuneration

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

| Directors                                  | Short-term employment benefits – Directors fee   | Post-employment benefits – Superannuation      | Fees paid to  | Total  |
|--|--|--|---------------|--|
| Terence (Terry) Wetherall (Chair)          | 2020/21 - \$108,155.22<br>2019/20 - \$114,764.13 | 2020/21 - \$10,274.75<br>2019/20 - \$10,902.60 | Director      | 2020/21 - \$118,429.97<br>2019/20 - \$125,666.73 |
| Linda Scott (Deputy Chair) <sup>1</sup>    | 2020/21 - \$81,116.40<br>2019/20 - \$73,088.12   | 2020/21 - \$7,706.09<br>2019/20 - \$6,943.39   | Director      | 2020/21 - \$88,822.49<br>2019/20 - \$80,031.51   |
| Katherine Sampson                          | 2020/21 - \$65,792.87<br>2019/20 - \$69,219.68   | 2020/21 - \$6,250.27<br>2019/20 - \$6,575.85   | Director      | 2020/21 - \$72,043.14<br>2019/20 - \$75,795.53   |
| Keith Harvey                               | 2020/21 - \$72,284.92<br>2019/20 - \$79,222.80   | 2020/21 - \$6,867.10<br>2019/20 - \$7,526.16   | Director      | 2020/21 - \$79,152.02<br>2019/20 - \$86,748.96   |
| Michelle Gardiner                          | 2020/21 - \$75,530.27<br>2019/20 - \$78,183.46   | 2020/21 - \$7,260.00<br>2019/20 - \$7,427.44   | Director      | 2020/21 - \$82,790.27<br>2019/20 - \$85,610.90   |
| Jeremy Johnson                             | 2020/21 - \$67,779.44<br>2019/20 - \$71,364.07   | 2020/21 - \$6,439.08<br>2019/20 - \$6,779.60   | Director      | 2020/21 - \$74,218.52<br>2019/20 - \$78,143.67   |
| Robert Potter                              | 2020/21 - \$68,728.49<br>2019/20 - \$75,633.01   | 2019/20 - \$0<br>2019/20 - \$0                 | ASU           | 2020/21 - \$68,728.49<br>2019/20 - \$75,633.01   |
| Anthony Cavanagh <sup>2</sup>              | 2020/21 - \$61,513.45<br>2019/20 - \$31,510.86   | 2020/21 - \$5,843.81<br>2019/20 - \$2,993.54   | Director      | 2020/21 - \$67,357.26<br>2019/20 - \$34,504.40   |
| Merran Kelsall <sup>3</sup>                | 2020/21 - \$67,597.96<br>2019/20 - \$16,076.87   | 2020/21 - \$6,421.73<br>2019/20 - \$1,527.30   | Director      | 2020/21 - \$74,018.99<br>2019/20 - \$17,604.17   |
| Vanessa Seagrove <sup>4</sup>              | 2020/21 - \$14,306.71<br>2019/20 - \$0           | 2020/21 - \$1,235.58<br>2019/20 - \$0          | Unions<br>NSW | 2020/21 - \$15,542.29<br>2019/20 - \$0           |
| Alessandra Peldova-McClelland <sup>5</sup> | 2020/21 - \$60,047.95<br>2019/20 - \$63,495.22   | 2020/21 - \$4,392.76<br>2019/20 - \$6,346.52   | Unions<br>NSW | 2020/21 - \$64,440.71<br>2019/20 - \$69,841.74   |

<sup>1</sup> Appointed 11 December 2018. Appointed Deputy Chair 1 January 2020

<sup>2</sup> Appointed 14 August 2020

<sup>3</sup> Appointed 1 January 2020

<sup>4</sup> Appointed 23 April 2021

<sup>5</sup> Ceased 22 April 2021

## STAFF REMUNERATION

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 members-first 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 2021

| Salary range        | Number of staff |
|---------------------|-----------------|
| \$50,000-\$100,000  | 23              |
| \$100,000-\$200,000 | 88              |
| \$200,000-\$300,000 | 10              |
| \$300,000-\$400,000 | 6               |
| \$400,000-\$500,000 | 0               |
| \$600,000-\$700,000 | 2               |

## We value diversity

We seek diversity across gender, age, skills and professional backgrounds. Having a broad range of views, perspectives and experiences represented at board, executive and staff levels is essential for quality decision-making and ensures we more closely represent our 220,610 members. 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 2021

| Category        | Women | Men |
|-----------------|-------|-----|
| Board           | 5     | 5   |
| Executive team  | 3     | 4   |
| Middle managers | 8     | 9   |
| Other staff     | 65    | 40  |

### Gender by age split at 30 June 2021 (excluding Board members)

| Gender | 20-29 | 30-39 | 40-49 | 50+ |
|--------|-------|-------|-------|-----|
| Male   | 6     | 30    | 28    | 12  |
| Female | 3     | 21    | 21    | 8   |

# 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 key 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](https://caresuper.com.au/governance).

## CHANGES TO THE TRUST DEED

We did not make changes to the Trust Deed this year. You can find our Trust Deed at [caresuper.com.au/governance](https://caresuper.com.au/governance).

## TAXATION POLICY

CareSuper has a Taxation Policy that is reviewed at least biennially. 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](https://caresuper.com.au/privacy).

## COMPLAINTS POLICY

We developed a new Complaints Policy outlining how we will listen and respond to members' complaints to maintain strong member outcomes. It details how members can make a complaint about our products and services, the complaints process and response timeframes, and steps to take if a complaint isn't resolved.

## VULNERABLE CONSUMER POLICY

Our Vulnerable Consumer Policy outlines how we provide additional support to vulnerable members.

Members may be vulnerable due to race, culture, age, gender identity, disability, financial distress, family violence, low literacy, mental health, due to a catastrophic event or isolation. Vulnerability can be temporary or permanent.

## 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 have 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, cyber security and outsourcing. In addition, ongoing monitoring includes a risk radar to identify any potential future risks.

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

## CYBER SECURITY STRATEGY AND FRAMEWORK

Cyber security is a significant issue for all organisations. At CareSuper, we have prioritised cyber security and put protections in place to safeguard our systems and processes to keep members' data, information and accounts secure. We continually assess and evolve our cyber security program in response to the ever-changing digital landscape.

Our Cyber security strategy and framework is the overarching policy which informs our Information security policy and our Information security management framework (ISMF). The ISMF connects our business objectives, industry standards and regulatory obligations with our Information security policy program and its supporting processes.

# Appendices

## Financial statements

The fund's audited financial statements and the auditor's report are available on our website at [caresuper.com.au/governance](https://caresuper.com.au/governance). You can also request a copy by contacting us.

### Financial position as at 30 June 2021

|   | 2021<br>\$'000    | 2020<br>\$'000    |
|---|-------------------|-------------------|
| Investments                                     | 20,924,442        | 17,785,264        |
| Cash and cash equivalents                       | 99,960            | 47,446            |
| Other assets                                    | 39,912            | 66,446            |
| <b>Total assets</b>                             | <b>21,064,314</b> | <b>17,899,156</b> |
| <b>Liabilities</b>                              |                   |                   |
| Liabilities                                     | 1,772,342         | 1,676,428         |
| <b>Net assets available for member benefits</b> | <b>19,291,972</b> | <b>16,222,728</b> |
| Less: Member benefits                           | 19,078,198        | 16,112,467        |
| <b>Net assets</b>                               | <b>213,774</b>    | <b>110,261</b>    |
| <b>Equity</b>                                   |                   |                   |
| General reserve                                 | 166,253           | 69,607            |
| Operational risk reserve                        | 47,521            | 40,654            |
| <b>Total equity</b>                             | <b>213,774</b>    | <b>110,261</b>    |

### Income statement for the year ended 30 June 2021

|  | 2021<br>\$'000   | 2020<br>\$'000   |
|--|------------------|------------------|
| <b>Revenue</b>                           |                  |                  |
| Investment income                        | 3,127,952        | (28,354)         |
| Other income                             | 3,828            | 1,477            |
| <b>Total revenue</b>                     | <b>3,131,780</b> | <b>(26,877)</b>  |
| <b>Expenses</b>                          |                  |                  |
| Investments                              | (51,499)         | (66,257)         |
| Administration and operating             | (58,937)         | (55,285)         |
| <b>Total expenses</b>                    | <b>(110,436)</b> | <b>(121,542)</b> |
| Income tax (expense)/benefit             | (263,527)        | 57,321           |
| <b>Results after income tax</b>          | <b>2,757,817</b> | <b>(91,098)</b>  |
| Less net benefits allocated to members   | 2,654,275        | (35,792)         |
| <b>Operating result after income tax</b> | <b>103,542</b>   | <b>(55,306)</b>  |

# Financial statements (continued)

## Changes in member benefits for the year ended 30 June 2021

|   | 2021<br>\$'000    | 2020<br>\$'000    |
|---|-------------------|-------------------|
| <b>Opening balance of member benefits</b> | 16,112,467        | 16,146,940        |
| Add:                                      |                   |                   |
| Contributions                             | 1,074,947         | 994,929           |
| Transfers in                              | 475,696           | 449,299           |
| Net investment earnings                   | 2,697,475         | 6,075             |
| Insurance proceeds                        | 71,554            | 99,018            |
| Less:                                     |                   |                   |
| Benefits paid                             | 1,110,204         | 1,345,252         |
| Administration and other fees             | 43,200            | 41,867            |
| Insurance premiums                        | 75,858            | 81,029            |
| Tax                                       | 124,679           | 115,646           |
| <b>Closing balance of member benefits</b> | <b>19,078,198</b> | <b>16,112,467</b> |

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

# Additional information for members

## 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](http://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](http://caresuper.com.au/governance).

## ANNUAL MEMBER MEETING

CareSuper held its first Annual Member Meeting (AMM) on 9 December 2020.

The AMM is an opportunity for members and other stakeholders to hear from the Chair, Chief Executive Officer, Chief Investment Officer and other directors and employees.

The Minutes, Q&As and video highlights can be accessed on our website at [caresuper.com.au/governance](http://caresuper.com.au/governance).

Our AMM for 2020/21 will be held on 3 March 2022.

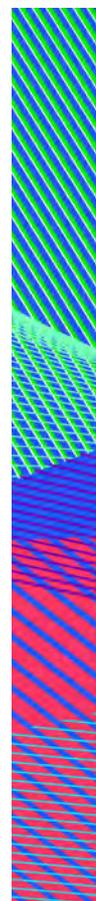
## MEMBER CONTACT DETAILS

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](http://caresuper.com.au/login).

## ENQUIRIES AND COMPLAINTS

We take members' concerns seriously and investigate all enquiries and complaints. Complaints can be made in writing, over the phone or via social media.

We'll aim to acknowledge all complaints within 1 business day of being received, and do our best to answer complaints with a written response of the outcome within 45 days, or explain why we have been unable to complete the investigation within this timeframe.



## Contact us

### HERE'S HOW TO GET IN TOUCH

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

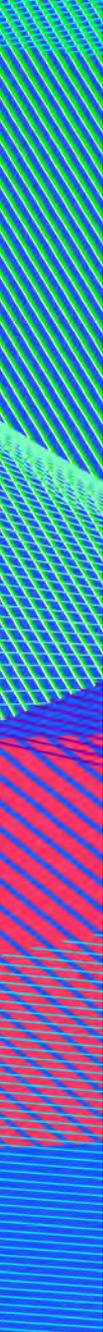
[caresuper.com.au/getintouch](http://caresuper.com.au/getintouch)

CareSuper  
Locked Bag 20019  
Melbourne, VIC 3001

### OUR REGISTERED ADDRESS

Level 6, 447 Collins Street, Melbourne VIC 3000





**1300 360 149 (Australia)**



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



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



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

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

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