

# Putting members at the centre of everything we do

We're an award-winning industry super fund driven by a strong commitment to help you achieve your retirement goals.

We aim to provide high quality products for our members and we're consistently ranked by ratings agencies and research companies as a top performer with lower than average fees and superior features and services.

The Australian Prudential Regulation Authority (APRA) recently introduced a requirement that all super funds complete an annual member outcomes assessment to determine whether they're promoting the financial interests of members. While this assessment is new, our focus has always been on doing our best for you.

## HERE'S HOW WE ADD VALUE AND KEEP OUR MEMBERS AT THE HEART OF EVERYTHING WE DO.



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



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



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



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

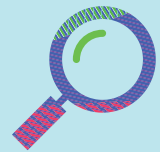


Protecting members and their families with relevant insurance cover and assisting them through the claims process.



## Part 1. How we compare

The first requirement of the assessment was to compare our MySuper, Choice and Pension products against similar products from other super funds. We looked at three metrics: fees and costs, net return to members and the level of investment.



### MYSUPER

Our Balanced option is our default investment option and MySuper product.

According to independent ratings agency SuperRatings, our Balanced (MySuper) option was a top performer over the last 5, 10, 15 and 20 years, returning an average 7.48% per year over 20 years as at 30 June 2020.<sup>^</sup>

When compared to other funds, we delivered a stronger 10-year average return than most comparison funds. But importantly, we have the lowest investment risk level of all funds in the comparison.

### CHOICE

In addition to our Balanced (MySuper) option, we offer 11 Choice products (investment options) each with different targets for returns and levels of investment risk, plus a Direct Investment option.

When compared to other similar funds we're a strong performer for each of our investment options. We're in the top 2 to 3 funds against the comparison group of funds, and across all our investment options we have the lowest risk profile.

All our investment options have strong long-term performance track records. The return of each option exceeds the respective median peer fund return over 10 years. The returns for our Growth, Alternative Growth, Balanced, Sustainable Balanced, Conservative Balanced, Capital Stable, Overseas Shares, Property, Fixed Interest and Cash options are all in the top quartile over 10 years.\*

### PENSION

Our Pension product includes 13 investment options.

The returns for our Growth, Alternative Growth, Balanced, Sustainable Balanced, Conservative Balanced, Capital Stable, Overseas Shares, Property, Fixed Interest and Cash and Australian Shares pension options are all in the top quartile over 10 years.\*

\* SuperRatings Accumulation and Pension Fund Crediting Rate surveys June 2020.

<sup>^</sup> SuperRatings Fund Crediting Rate survey SR50 Balanced (60-76) Index – June 2020.

## Part 2. Assessment

The second requirement of the member outcomes assessment was to evaluate whether the following six factors promote the financial interests of CareSuper members invested in our MySuper and Choice options.



### 1. OPTIONS AND MEMBER BENEFITS

In addition to our superannuation and retirement products, CareSuper members can access extra benefits with their membership, including savings on everyday insurance and finance-related essentials. Some of these benefits include free advice about your super over the phone,\* education, events, seminars and more. Find out more about the extra benefits included in your membership at [caresuper.com.au/benefits](https://caresuper.com.au/benefits).

\*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.



#### CareSuper's product objective – 30 June 2020

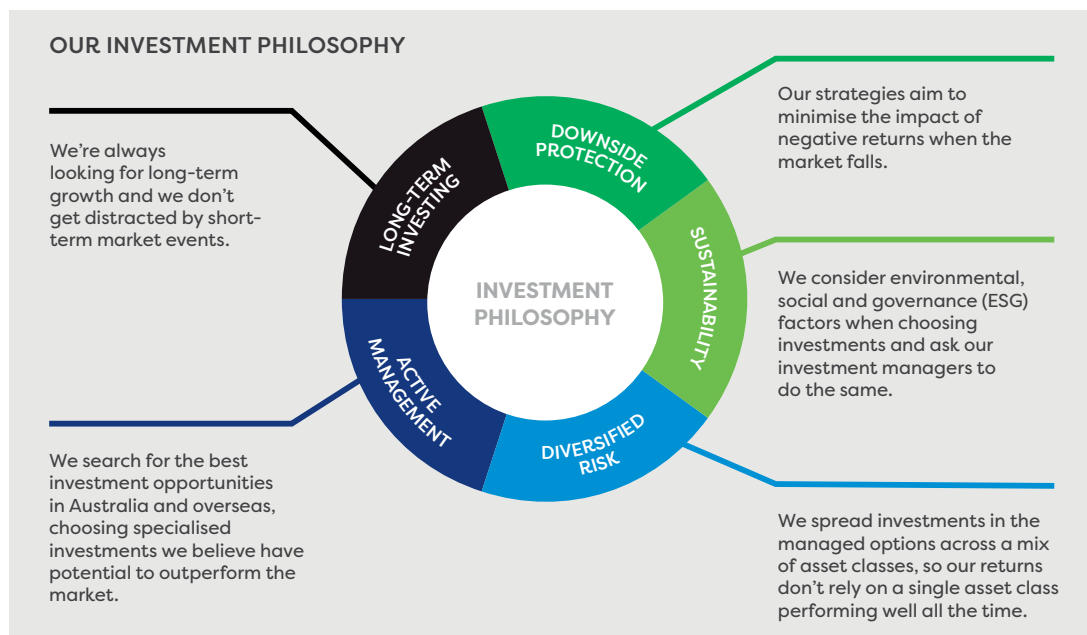
Maintain an appropriate number of product options, benefits and facilities for CareSuper members.



CareSuper members can access extra benefits with their membership.

### 2. INVESTMENT STRATEGY

We use an actively managed and long-term strategy, driven by a proven investment philosophy. You can learn more about how our investment philosophy informs our investment strategy at [caresuper.com.au/howweinvest](https://caresuper.com.au/howweinvest).



Our **Annual Report 2020** details our actual asset allocation versus target asset allocation for the year, which demonstrates how we manage our investments in line with our investment philosophy. Read more at [caresuper.com.au/annualreport2020](https://caresuper.com.au/annualreport2020).

#### WE'RE A TOP PERFORMER OVER THE LONG TERM

We're one of Australia's best-performing funds, with our Balanced (MySuper) option being rated as a top performer for investment returns. Our Balanced option has delivered 8.43% per year, on average, over the past 10 years. This is a wide margin above the industry median of 7.4% per year. Over 20 years, the Balanced option has delivered an average 7.48% per year.\*

We also deliver a strong net benefit for members. Over 15 years to 30 June 2020, our Balanced option returned over \$56,000 more than the average of all surveyed retail funds and outperformed the average of all surveyed industry funds by over \$16,000.\*\*

\* SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, June 2020.

\*\*Past performance is not a reliable indicator of future performance. Comparisons modelled by SuperRatings as at 30 June 2020, commissioned by CareSuper. Assumes a starting balance of \$50,000 and initial salary of \$50,000 and considers historical earnings and fees – excluding contributions, entry, exit and adviser fees. Compares the average difference in net benefit performance of CareSuper's Balanced option and the balanced options of funds tracked by SuperRatings including funds with a 15-year performance history. Outcomes vary between funds. See [caresuper.com.au/assumptions](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 before making an investment decision.

## 2. INVESTMENT STRATEGY (CONTINUED)



### CareSuper's investment objectives – 30 June 2020

Maintain top quartile rolling 10-year net returns	✓
Ensure investment management is in line with philosophy of active management and downside protection	✓
Maintain a top 10 net benefit outcome as measured by SuperRatings	✓

We're driven by a clear and genuine purpose: to help our members achieve the best possible outcomes in retirement.

## 3. INSURANCE STRATEGY AND INSURANCE FEES

Our insurance strategy is to provide an appropriate level of insurance cover for our members to ensure a safety net for themselves and their families if they're unable to work due to serious illness or injury or in the event of their death. We aim to help our members reach their future goals for a secure and comfortable retirement. With this in mind, offering an insurance design that meets members' needs at different stages of their lives can help provide peace of mind and the confidence to help them reach these goals.

Our insurance strategy is informed by our insurance philosophy of providing relevant types and levels of cover appropriate to our professionally aligned membership. It's centred around our trusted and culturally aligned partnership with our insurer, a competitive and equitable pricing model and our fair and personalised approach to claims management. Find out more about our insurance philosophy in our **Annual Report 2020** available at [caresuper.com.au/annualreport2020](https://caresuper.com.au/annualreport2020).

### OUR INSURANCE OFFERING

Through our insurance provider, MetLife, we offer three types of insurance cover: death, total and permanent disablement (TPD) and income protection. Standard cover includes both death and TPD cover. Income protection cover is only available as voluntary cover, which can be applied for through MemberOnline. Visit [caresuper.com.au/insurance-through-super](https://caresuper.com.au/insurance-through-super) to find out more.

### MAINTAIN AN APPROPRIATE INSURANCE STRATEGY

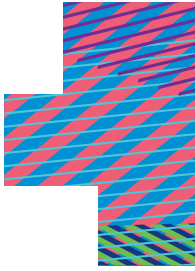
We conduct an annual review of our insurance design to ensure its appropriateness. The review includes:

- Benchmarking our current insurance offering against competitor funds
- An annual analysis of the key measures for financial management such as claims experience, claims ratios, loss ratios, performance of claims by cause, risks and consideration of whether performance is in line with expectations
- An annual review of member profile and insurance philosophy to ensure value is provided to members.



### CareSuper's insurance objective – 30 June 2020

Maintain an appropriate insurance strategy designed to meet the needs of CareSuper members including a professional scale.	✓
Provide an insurance product that meets the requirements of the Insurance in Superannuation Voluntary Code of Practice, including insurance fees charged and the minimisation of cross-subsidisation of age and gender.	✓



#### 4. SCALE

We assess our scale (size) to ensure that we can provide benefits and services at a cost that continues to deliver members a competitive net benefit.

We assess scale based on the following criteria:

- Net benefit to members
- Sufficient income to cover costs of operation whilst ensuring competitive fees for an active investment fund
- Services provided to members compared to similar funds
- Returns for each investment option compared to the median return and competitor funds
- Member usage of included services.

Based on the analysis performed for our Member Outcome Assessment for financial year ended 30 June 2020 we have met the above criteria. We continue to have:

- A sufficient number of members to sustain the ongoing viability of the fund to operate in the best interests of members. We had more than 230,000 members as at 30 June 2020.
- A sufficient level of assets to invest whilst remaining nimble enough to move quickly in the market if required. Learn more about the breakdown of our top investment holdings in our **Annual Report 2020** available at [caresuper.com.au/annualreport2020](https://caresuper.com.au/annualreport2020).
- A good offering of products and services that are used by members and compare favourably within the market.
- Strong long-term returns and net benefit compared to competitor funds as outlined earlier in this document.



##### CareSuper's scale objective – 30 June 2020

Maintain sufficient scale to ensure the net benefit for members remains competitive.



#### 5. OPERATING COSTS

We're transparent about what it costs to run CareSuper successfully for members.

Operating costs include administration costs, investment costs and management costs, such as professional services, marketing services, technology expenses and communication costs.

Operating costs are budgeted for each financial year and approved by the CareSuper Board and these are then monitored closely. A full breakdown of our operating expenses can be found at [caresuper.com.au/financialinformation](https://caresuper.com.au/financialinformation).

According to SuperRatings, our operating expenses, relative to our membership base and assets, is below the industry median.\*

\*SuperRatings Benchmark Report 2021.



##### CareSuper's operating costs objective – 30 June 2020

Work hard to keep our costs low to maximise member's super balances.



#### 6. FEES

We work hard to keep our costs low to maximise your super balance.

The annual fee on a CareSuper Balanced (MySuper) account for a member with a \$50,000 account balance is \$543, this is lower than the industry average fee of \$604 across all MySuper and Choice super offerings in 2020 according to SuperRatings. We also remain in the top quartile for net benefit to members over the long term.\* Find out more at [caresuper.com.au/ratemysuper](https://caresuper.com.au/ratemysuper).

\*SuperRatings Benchmark Report 2021.



##### CareSuper's fees objective – 30 June 2020

Maintain competitive fees on net return basis.



## Summary of our assessment

Based on the analysis performed, we continue to have:

- Enough members to set fees at a competitive level to cover operating costs
- Enough members and funds under management to sustainably operate in the best interests of members
- The necessary level of assets to invest, while remaining nimble enough to move quickly in the market if required
- A good offering of products and services that compares favourably within the market
- An appropriate insurance offering designed to meet the needs of members with premiums guaranteed until 2023, and
- A strong net benefit compared to competitor funds.



### DETERMINATION

Based on the member outcomes assessment completed for 30 June 2020, CareSuper can determine that:

- Our MySuper and Choice products are promoting the financial interests of members and
- CARE Super Pty Ltd, as Trustee of CareSuper, is promoting the financial interests of members.

**Terry Wetherall**  
Chair

10 February 2021

**Julie Lander**  
Chief Executive Officer

10 February 2021

**Disclaimer:** The information provided in this document is general advice only and has been prepared without taking into account your particular financial needs, circumstances or objectives. You should consider your own investment objectives, financial situation and needs and read the appropriate product disclosure statement before making an investment decision. You may also wish to consult a licensed financial adviser. Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments.

CARE Super Pty Ltd (Trustee) ABN 91 006 670 060 AFSL 235226 CARE Super (Fund) ABN 98 172 275 72

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