CARE SUPER PTY LTD (ACN 006 670 060)

Annual Member Meeting

MINUTES

TIME/DATE
5.30pm
Wednesday 23 Nov 2023

LOCATION
Via webinar

	Item	Action/ Status
1	**Formalities**	
	The meeting commenced at 5.30pm.	

1.1 **Attendance and Apologies**

The following Directors were present:

Linda Scott	Chair, Member Director
Jeremy Johnson	Deputy Chair, Employer Director
Tony Cavanagh	Member Director
Terry Wetherall	Employer Director
Michael Drew	Employer Director
Rebecca Girard	Member Director
Merran Kelsall	Employer Director
Vanessa Seagrove	Member Director
Robert Potter	Member Director
Kathie Sampson	Employer Director

Apologies
Nil

The following Executives and other official roles were present:

Michael Dundon	Chief Executive Officer
Suzanne Branton	Chief Investment Officer
Paul Northey	Chief Growth Officer
Christine Nguyen	Chief Risk Officer
Sam Horskins	Chief Financial Officer
Mark Lyons	Chief Capability Officer
Jean-Luc Ambrosi	Chief Experience Officer
Dan Bridgland	Manager of Financial Planning
Michael Watson	Company Secretary
Shannon Burdeu	Deputy Company Secretary
Nicole Oborne	Partner PwC, Auditor

2 Welcome

2.1 **Welcome and introduction of speakers – Paul Northey**

Mr Northey, as host, opened the Annual Member Meeting with an Acknowledgement to Country and paid respect to Elders past and present.

Mr Northey thanked members for joining and provided an overview of the agenda for the meeting noting updates would be provided by the Fund Chair, Linda Scott, the Chief Executive Officer, Michael Dundon and the Chief Investment Officer, Suzanne Branton. These updates would then be followed by a question and answer session and described the process for submitting questions.

Mr Northey advised that the meeting was being recorded and that a copy of the meeting recording will be available to CareSuper members. In addition, the minutes of the meeting as well as responses to all questions asked will be available on the CareSuper website at **caresuper.com.au/governance** within 30 days. He reminded attendees that information provided during the meeting is general information only and not specific to personal circumstances or needs.

Item	Action/ Status
3 Presentations	
3.1 **Board Chair – Linda Scott** The Chair spoke to the following items: • Acknowledgement of, and thanks to, all Directors present at the meeting • Examples of going above and beyond as a fund and providing personal service for insurance to our members • Excitement to win SuperRatings MySuper of the Year Award and the Smooth Ride Award 2023 • Commitment to continuing focus on members' best financial interests first. • Acknowledgement and thanks to the outgoing CEO Julie Lander for her significant contribution to CareSuper and the wider industry • The Chair acknowledged and thanked retiring director Terry Wetherall for his commitment and dedication to CareSuper over many years and for his contribution as Chair of the fund. • Our strategy remains to be the strongest mid-sized fund in the market and the lead competitor fund to mega funds.	
3.2 **Chief Executive Officer – Michael Dundon** The Chief Executive Officer spoke to the following items: • Acknowledgement and thanks to CareSuper staff and service providers. • Confirmation that acting in our members' best interests has always been at the core of CareSuper's Board, management and staff. • Key statistics of the Fund for the financial year including: o Funds under management grew to over $21 billion in assets o 30,000+ new members • Upcoming merger with Spirit Super to set CareSuper up for continued future success with potential reduction in administration fees and utilisation of Spirit Super's award-winning in-house administration model • Commitment to our NetZero by 2050 roadmap released in March 2023	
3.3 **Chief Investment Officer – Suzanne Branton** The Chief Investment Officer spoke to the following items, noting that the report focused on investment outcomes for the year ended 30 June 2023: • Investment results for the year ended 30 June 2023: o Balanced option return of 9.1% for super members and 9.6% for pension members o Growth option had the highest one-year return at 11.70%, and the average return over the past 10 years was 8.95%, reflecting its design to deliver higher returns but with some higher risk o Similar results were discussed for Pension option returns • Ranked number 1 by SuperRatings in the risk-adjusted survey over 10 years – and proudly received the 2023 Smooth Ride award • Key investment themes centre around the interest rate cycle, uncertainty in economic outlooks, more volatility and sustainability • Our investment approach has always focused on diversification and active management, allowing us to navigate through various market cycles and downturns successfully.	
4 Question and Answers	
Mr Northey thanked the speakers and introduced the question and answer (Q&A) session for the next 30 minutes. Mr Northey introduced the panel available to answer questions, in addition to the earlier presenters, introduced Dan Bridgland – Manager of Financial Planning. He also advised CareSuper's auditor is available for questions.	
4.1 **Question: Why is the merger happening?** Response: Linda	

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CareSuper and Spirit Super agree that this is an exciting opportunity for both funds, each highly regarded, award-winning and high performing. This merge will create a combined fund with more than 500,000 members and almost $50 billion in funds under management which in turn will provide scale benefits to members.

The funds share a vision to leverage the strengths of each fund and create a national, mid-sized fund that provides a distinct point of difference in the market. CareSuper and Spirit Super announced the merge earlier this year and will send written notification of the merge to all members as we approach the merger date.

4.2 **Question: How will the merger affect the fund and how will members and their super be affected?**

Response: Michael

Nothing will change on your account or in the way we manage your account right now. The merger is expected to be completed in late 2024. As decisions are made for the future, we will communicate with you. All members will receive individually addressed written notification of the merge, including any impacts to our services, with the issuing of a Significant Event Notice (SEN) as we approach the merger date.

4.3 **Question: Who is Spirit Super?**

Response: Michael

Spirit Super is a relatively new brand name, but the fund has a long history. Spirit Super emerged from the merger of MTAA Super and Tasplan. It is a profit-for-member super fund with approximately $27 billion in funds under management and more than 335,000 members Australia-wide. You can find more information at www.spiritsuper.com.au.

4.4 **Question: What's the best way to invest my super and how to do it?**

Response: Dan

With any financial planning decision, it's important to consider your individual circumstances. Generally speaking, as a CareSuper member you have access to our limited advice team and this team can provide advice to you over the phone at no extra cost as it's included in your membership.

One of those topics is how to choose the right CareSuper investment option for you. To do this they will help you work out the right amount of risk for you, which is called your risk profile. They'll ask you a range of questions to understand things like your investment timeframe, and your ability to tolerate market volatility. Then they will recommend the CareSuper investment option most suited to your personal needs. You can access this team as many times as you like so if you haven't reviewed this, I encourage you to reach out so we can help you get your investments set up the right way.

4.5 **Question: What is your view on the importance of customer service?**

Response: Michael

At CareSuper, we consider customer service to be of the utmost importance and put our members at the forefront of everything we do. We are continuously training and developing our consultants in order to deliver a high quality of service to all of our members and appreciate all feedback we receive. Please do not hesitate to get in touch with us at any time.

4.6 **Question: What do you think will be the most impactful factor for fund performance over the next 10 years, and why?**

Response: Suzanne

The upcoming decade is poised to be a fascinating period in the markets, distinctly different from the previous ten years. Describing or making broad statements about a decade is challenging, given the likelihood of various events occurring over such an extended timeframe. Economic cycles, trends, and fluctuations are anticipated but, attempting to identify dominant factors, we anticipate a scenario featuring potentially higher interest rates compared to the last decade and, on average, a slightly elevated level of inflation.

While both key factors are expected to fluctuate, the possibility of increased inflation over time has implications for our investment approach and members' expectations. One contributing factor to higher inflation could be climate change, with the transition to cleaner energy necessitating substantial investment and potentially raising costs. Additionally, deglobalisation efforts by countries, shifts in manufacturing locations, and ongoing disruptions in global supply chains may exert upward pressure on prices.

Conversely, technology, while historically tempering inflation, is expected to continue advancing and potentially contribute to containing inflation. The outlook suggests that interest rates may stabilize at what is now considered a more normal level, presenting challenges for investors across various asset classes. Elevated interest rates increase the cost of money, demanding higher returns from investments to offset these costs. This dynamic places strains not only on consumers but also on businesses, impacting their profits and, consequently, returns to investors.

Higher interest rates typically introduce more volatility, but it doesn't necessarily imply a poor investment environment for the entire decade. Instead, it paints a picture of variability, anticipating both ups and downs. Diversification emerges as a crucial strategy during this time, providing resilience and navigating the potential for volatility. Our investment approach, focused on delivering robust returns with reduced risk, is seen as valuable in this environment. While the road ahead may not be straightforward, the emphasis on a diverse portfolio and our investment philosophy positions us well to navigate the challenges and opportunities that lie ahead for our members.

4.7 **Question: What are you doing to keep fee costs down?**

Response: Michael

As a profit-to-member fund, we work hard to keep our fees low. We're proud of the low fees and great value we offer, which has resulted in our Balanced (MySuper) product being ranked as the top value-for-money default super investment option, winning the 2023 'MySuper of the year' award from independent ratings agency SuperRatings. This is also demonstrated by achieving a bigger net benefit for members over the long term. Over 15 years to 30 September 2023 (as modelled by SuperRatings comparisons), our Balanced option returned over $36,000 more than the average of all surveyed retail funds and outperformed the average of all surveyed industry funds by over $13,000.*

Finally, as an industry fund, we are transparent about our fees – there are no commissions or sneaky fees. Our fees are all outlined on our website at caresuper.com.au/fees.

*Past performance is not a reliable indicator of future performance. Comparisons modelled by SuperRatings as at 30 September 2023, commissioned by CareSuper. Assumes a starting balance of $50,000 and initial salary of $50,000 and considers historical earnings and fees — excluding contributions, entry, exit and adviser fees. Compares the average difference in net benefit performance of CareSuper's Balanced option and the balanced options of funds tracked by SuperRatings, including funds with a 15-year performance history. Outcomes vary between funds. See caresuper.com.au/assumptions for more details about modelling calculations and assumptions.

4.8 **Question: Please share some insights from income protection plans.**

Response: Michael

During the financial year ending 30 June 2023 our insurer, MetLife, paid 100% of all income protection claims assessed, with the primary claim causes being injury, illness and cancer. Income protection provides an important safety net for members who cannot work for an extended period of time due to illness and injury.

We offer benefits for 2 years, 5 years and to age 65, with 30-, 60- and 90-day waiting periods. For assistance on what cover is right for you, you can arrange to speak to a financial planner by calling us.

The fund has recently enhanced the income protection benefit by introducing the ability to increase your income protection insured benefit once in every 12-month period with written confirmation of a salary increase from your employer (conditions apply, please refer to our Insurance guide for details).

4.9 **Question: With all the unrest in the world how is CareSuper managing our funds to make sure you safeguard member's funds? What is your strategy in this present climate to reduce losses to a minimum?**

Response: Suzanne

That's a very important question. I might tackle that in two parts. Perhaps it might be more sensible, first, for me to start with how we keep losses to a minimum.

So let's begin with that. And then perhaps I might come back to the unrest. Keeping losses to a minimum is really important. We've mentioned in the presentation and also in my earlier answer to the previous question about our investment approach and how we control risk and deliberately try to avoid losses. I describe that as having a dual-purpose return and risk, we sometimes refer to that as the smooth ride. And, if you see reference to the smooth ride, that's really what we mean when we're talking about our investment strategy and the way that we look after your money.

So, the answer really is then that containing losses and keeping losses to a minimum is actually inherent to everything that we are doing.

And we're one of the few funds that actually have that as a deliberate part of our strategy. I'm often asked, 'well, how do you actually do that in practise, in managing the investment programme?' So, it might be helpful for me to give you a little bit of an insight into what that actually means we're doing when we're managing your investments. What it means is that we think about risk as well as return when we're selecting every single investment that we put in the portfolio, in every asset class, one at a time. So, we're choosing them on that basis, and we're assessing when to go in and out of them, when to increase or decrease those investments. That's what we call bottom up. So, bottom up, meaning we're looking at every individual investment. We're very active in the way we do that and very agile. It's also important to talk about how we invest in different asset classes. For example, how much we have in each asset class, when we might change that, when we might look to modify that, and how we might build asset classes within different diversified options.

So, for example, how much private equity does the Balanced option have, or how much property or how much infrastructure is in the Capital Stable option? And how do we move that, given different points in the cycle and different global events? Being active is something we talk about a lot, and we are very active investors. And when you're active, it means that you are thinking, responding, analysing and changing your investments, which means you can adjust to risks as they emerge in the environment much better. So, that's some of the ways that we actually achieve this outcome of keeping losses to a minimum.

Now, I might come back to refer to your comment about unrest in the world, which is no doubt tragic and concerning on all levels in different ways and in different places that we see that these days. Investment markets do react to these events, and we do see reactions and responses in markets, and they're things that we pay a great deal of careful attention to. But markets tend to look at these sorts of events that you've described as unrest in the world through a lens of the implications that they might have for economies or for businesses or trade. Investment markets often have a bit of a different focus to what we might have when we're looking at these events, and they certainly have had an impact but that has been intertwined in the mix of other fundamental influences that we're seeing at the same time.

So, such as the interest rate and inflation trends I've referred to, or what central banks are doing or what's happening, for example, in currency markets. Now we are always assessing all of those influences and their implications, including the impact of unrest on different types of investments and the investment portfolios that we manage for you.

It's a key part of our process, and it is something that we are constantly monitoring, as well as all the things that you would usually expect us to. And we have a history and active approach to managing them, and looking back through the history of these events certainly in recent times events, say, for example, in Russia and Ukraine, we made specific changes to the portfolio at that time in response. How we're investing is important, but given we're talking about risk and recent events and current events, it's probably a good idea for me to remind members that it's good to be comfortable with the investment that you have and to understand where it sits in the risk spectrum and that it's right for you. We do have different options for different risk appetites. You can do that really easily by checking your balance, going onto our website and having a look at the option that you're invested in. Look for the pie charts that show asset allocation and look for the things that show risk level. That can really be helpful.

I've talked a bit about recent events and current events in minimising losses, but I hope to have given you the clear understanding that we're doing a lot in the investment portfolio in actively managing your investments. There are always ups and downs in the past and in the future, but we're doing so much in the portfolio in support of your retirement savings that hopefully means our members can focus on staying the course and also thinking about the longer term nature of superannuation as an investment.

But if you do need help with what you're invested in and the risk levels, or you're concerned in any way, please reach out potentially to speak to a financial advisor. Someone like Dan who can help you if you think that you would like more information.

4.10 **Question: Will the super fund remain in Australia?**

Response: Michael

The fund will remain in Australia, and we will continue to support our membership with offices right around the country.

4.11 **Question: If we downsize, can we use the $300,000 to start a new pension fund or does it have to be added to an existing accumulation fund?**

Response: Dan

With any financial planning decision, it's important to consider your individual circumstances. The first step is to make sure you meet the criteria to make a downsizer contribution. Then to make the contribution it needs to go into a super or accumulation account, if you have an existing super account, you could make the contribution there. Or, if you don't have a super account you could open a new super account to make the contribution into.

If you've met your preservation age, which would be between 55-60 depending on your date of birth, then you could roll the fund into a pension account.

One thing to note is that if you have an existing pension account you can't add funds to it once it's already been set up. So, if you wanted to combine the funds you would need to roll the existing pension and the funds you'd contributed to your super into a new pension. There could be trade-offs and other things to consider here so if you would like some help with this you can request a call back from a financial planner at the end of the session.

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While we can't provide personal financial advice in this forum, we'd like to highlight to all members that you have access to financial advice over the phone about your super or pension account, at no additional cost. Alternatively, we can also look at your broader situation and provide more complex or comprehensive advice on a fee-for-service basis, which will be explained up front. You can book a call-back from a financial planner through our website, or by calling 1300 360 149.

4.12 **Question: Can you provide a high-level performance overview for CareSuper versus other similar funds within the industry? Also, how is management's performance forecast for FY24?**

Response: Suzanne

I think the first part of your question Michael kindly answered, in an earlier response in terms of the discussion about CareSuper's performance and performance history. So, I hope that some of that was covered already in part.

But I may just mention some tips for when you're looking at comparing CareSuper's performance to another fund or doing any fund comparisons. It's important to make sure that you're comparing apples with apples, for example, a balanced fund compared to a balanced fund and that you're matching the time horizons. If you're looking at June to June for 10 years, make sure it's the same for both and also look at the longer-term timeframes that include more market environments and more cycles – 10-year numbers, 15-year numbers and those sorts of comparisons will give you a better read.

Now, Michael did mention our performance history and some of the awards that we've won. CareSuper is amongst the top 10 funds in the industry over the long-term, so we have a long history of being a leading fund in terms of our performance and our performance track record's really consistent, which is what we're trying to achieve.

I talked in the presentation about last year's returns being high versus the average. You wouldn't expect that every year. Hopefully that gives you a feel.

In terms of forecasts for 2024, while we don't make specific forecasts, generally speaking we are fairly cautiously positioned about the outlook and things in the world changing, so we would expect that year might be a year that's got some different things happening that could present some challenges. Financial year to date, to today, as an example, the Balanced option is up modestly – about 2%. It's not a big return but given what we're seeing in the world, it's quite a good outcome that we're seeing a positive return given equity and share markets have gone down a bit, and that really reflects our ability to absorb some of that volatility.

Regarding future performance forecasts, while we continually analyse market trends and economic indicators to inform our strategies, it is our policy not to publish specific future projections. The financial markets are inherently unpredictable, and as such, we focus on creating a resilient, diversified portfolio that is designed to withstand market fluctuations and deliver consistent long-term returns for our members.

4.13 **Question: Will there be an increase in admin and insurance fees? Who will be our insurer?**

Response: Michael

The insurance fees were reviewed in early 2023 and for most members resulted in a reduction in insurance fees. As MetLife is the insurer for both CareSuper and Spirit Super, it is expected that MetLife will continue to be the insurer. As these decisions are made for the future, we will communicate with you, as with any other significant changes relating to the merger.

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5 Close Mr Northey thanked members for attending and reminded them that a copy of the minutes of the meeting and questions and answers, including those asked this evening and questions we could not answer, will be available on the fund's website within 30 days, by 22 December 2023. There being no further business, the meeting closed at 6.43pm. Signed... Linda Scott Chair Date: 19 December 2023	

Appendix

The following questions were submitted during the Annual Member Meeting, however due to time restraints they were not addressed during the session.

1. What are the current key investment areas (i.e. asset allocations) being used by CareSuper on behalf of members?

Over the last 12 months there has been a sharp rise in interest rates globally. We have increased our focus on asset classes that benefit from higher rates such as Cash, Fixed Interest and some areas in credit markets. Conversely, given the prevailing global environment we are cautious on listed shares.

Our Balanced (MySuper) option provides diversification across various asset classes, including Australian shares, overseas shares, private equity, infrastructure, credit, absolute return strategies, property, fixed interest, thematic opportunities and cash. For a detailed understanding of each asset class and their contributions to your investment, including specific allocation percentages within our Balanced option, please refer to our Investment Guide.

Our Balanced investment strategy is designed to balance risk and return, adapting to the ever-changing market conditions to safeguard and grow your retirement savings. Should you need further assistance or more personalised information, feel free to contact us.

2. Why does the life insurance/permanent disability have higher fees for males than females in the same age bracket? Is this not discrimination based on someone gender?

Insurance fees for insured benefits are based on gender to recognise that the proportion of claims is different between males and females, so this removes the cross subsidisation of insurance fees. Males have a higher proportion of claims for death and total & permanent disablement (TPD), so pay higher insurance fees for death and TPD cover. Females have a higher proportion of claims for income protection, so pay higher insurance fees for income protection cover.

3. How does CareSuper's forward-looking strategy compare to its rivals? What is CareSuper's competitive advantage?

As a top profit-to-member industry super fund, our aim is to maximise the retirement savings of our members. Our competitive advantage is our size, our low fees and proven investment philosophy to Outperform and Outprotect your super, which has placed us as a top 10 performer over 10, 15 and 20 years as rated by SuperRatings at 30 June 2023. We carefully balance investment risk to ensure a smoother ride for our members.

Our active and responsible investment approach drives us to review the environmental, social and governance (ESG) credentials of every investment to ensure that we remain a strong and sustainable super fund. Our size means we can provide our members with personalised communications and service.

We offer members the opportunity to speak with a financial adviser about their super accounts at no additional cost and they can get comprehensive personalised advice at a competitive fee.

We've been recognised as a top value-for-money default super investment option across super funds by SuperRatings for 2023 and we also won the Smooth Ride Award 2023. We have been platinum rated by SuperRatings for over 15 years, which is the highest possible rating. We also have 5 apples from Chant West for both our super and pension products. You can learn more about the CareSuper advantage on our website.

4. Does CareSuper use Artificial Intelligence? If so - how?

CareSuper currently has no AI tools embedded in any of our critical or production processes. We actively block staff from accessing specific web-based generative AI tools to manage the associated risks.

However, we have permitted the use of some tools to allow staff to experiment with this emerging technology. We encourage and support users to play with and explore these tools so that they can gain 'AI literacy' and keep on top of technology trends.

However, overall, our preference is to liaise with members directly 'person-to-person' and to provide personalised service, which is something we pride ourselves on.

5. Will you still be providing personal financial advice when the merger takes place? A few years ago CareSuper stopped offering financial advice so i moved a large part of my super out of CareSuper but regret it now.

We currently offer over the phone advice about your super or pension at no extra cost to you, it's all part of your membership. We also offer comprehensive and complex financial advice on a fee-for-service basis. Spirit Super also offers financial advice, and while we can't yet confirm how our advice services will look post-merger, we anticipate that we will continue to offer financial advice.

6. With higher AUM funds comes exposure to higher and new levels of systemic risks. What is your outlook and do you have a point of view on how large you want to get given current market conditions?

The current environment is challenging for all funds at present given the heightened uncertainties associated with the global environment, geopolitical unrest, inflation and interest rates. The forward outlook is likely to remain similar for some time, but these conditions and market factors are monitored very closely by our investment team. Typically, all market participants irrespective of size are impacted by systemic risk outcomes when they arise. Continuing to grow our membership and assets under management actually puts the fund in a better position to respond and absorb to these issues when and if they occur. Sustainable growth is an important part of our long-term plan to achieve the best outcomes for our members. We have no intention of becoming a 'mega fund', but becoming a mid-sized fund will allow us to achieve economies of scale that will benefit members.

7. What will your name be after the merger?

The merger is due to occur in late 2024. We're currently working through finalising this and many more important details. We expect to be able to share the name with members of both funds in early 2024.

8. My wife and I have enjoyed the CareSuper morning teas over the years. These ceased during covid. Are these to be re-introduced?

We will resume our Pension Morning Tea events next year. These are currently scheduled in Melbourne and Sydney for May 2024, and you will receive an invite closer to the time.

9. I rolled over to the Sustainable Balanced super plan, how did it compare to the Balanced? Which plan was better for FY2023?

For the 2022/23 financial year our Balanced (MySuper) option returned 9.05% and our Sustained Balanced option returned 9.18%.

This can vary from year to year and different industries perform better or worse in any given year. Over the long-term though, we expect a similar return for our Sustainable Balanced and Balanced option, which both share the same investment objective to achieve a 3% above-inflation return each year (after fees and taxes) over a rolling 10-year period. Both options are on track to meet or exceed this objective. Please also note that general investment information is available to you over the phone at no extra cost. You can book a call-back from a financial planner through our website, or by calling 1300 360 149.

10. Congratulations on the good sustainable returns! How do you compare to other super organisations?

When it comes to assessing the performance of your super, the most crucial factor you should keep front of mind is the importance of adopting a long-term view (i.e. at least 10 years).

Our Balanced (MySuper) option has consistently demonstrated robust performance, with an impressive average annual return of 8.04% over the past decade. This achievement places us within the top 10 performing super funds in Australia as rated by SuperRatings and compares favourably to the industry median return of 7.32% p.a. for the same period.*

Beyond the past 10 years, our Balanced option has also shown strong returns over 15- and 20-year periods, maintaining its position in the top tier of funds.
* SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index, June 2023.

11. How will the merger impact on CareSuper's investment strategy and returns?

For now, CareSuper's investment strategy remains the same. As we prepare to merge, CareSuper and Spirit Super are working together on this and many more important questions. Both funds share a commitment to bringing the best of each fund together and agree that CareSuper's history of strong returns and active investment approach is a strength. We agree that the merger is an exciting opportunity for both funds, each highly regarded, award-winning and high performing. The merger is expected to be completed in late 2024. As decisions are made for the future, we will communicate with you. All members will receive individually addressed written notification of the merge, including any impacts to our services, with the issuing of a Significant Event Notice (SEN) as we approach the merger date.

12. Why doesn't CareSuper allow members moving from accumulation fund to pension fund to obtain a tax benefit from transfer of capital gains to the tax-free environment?

We are aware that some funds pay eligible members a 'retirement bonus' when transferring from accumulation to pension and we have actively explored how we too could pay such a bonus. As you know, we are working through a merger with Spirit Super, a fund that does indeed pay a retirement bonus (currently set at 0.3%). While we can't confirm that this bonus will continue as part of a merged fund, it is certainly a possibility.

13. Can you please explain the difference between taxable super and non-taxable super and how is that difference defined?

Superannuation is generally taxed at a lower rate than other investments or savings. However, when and how much tax you pay depends on a range of factors including: your total super amount, your age and the type of contribution or withdrawal you make. You can read all about this on our website at **caresuper.com.au/tax-and-your-super**. With any financial planning decision, it's important to consider your individual circumstances. We can't provide personal advice, specific to your situation in this forum, but we'd like to highlight all members have access to financial advice. This can be specific to your CareSuper account at no extra cost. Alternatively, we can look at your broader situation on a fee-for-service basis. You can book a call-back from a financial planner through our website, or by calling 1300 360 149.

14. My wife who is a member is retired. Why does she still pay insurance?

While we cannot provide answers to personal questions in this forum, we can advise that we generally do not remove insurance unless the member closes their account. We are required to cancel insurance under legislation (16 months of inactivity, if the member hasn't applied to opt-in to keep cover after the 16-month period), due to insufficient funds to pay insurance fees, by member request or by reaching age 75 for death and age 70 for TPD. Members can cancel their insurance through MemberOnline, requesting in writing, or by contacting us on 1300 360 149.

15. Is there any difference in the security of the cash option in the pension fund as compared with cash put in bank term deposits via the Direct Investment option? If not the term desposit option seems better to me with higher returns on cash. Do you agree?

Both the Cash option and Direct Investment option term deposits are held by the trustee (CareSuper) and therefore the Financial Claims Scheme guarantee limit of $250,000 would apply in aggregate at the trustee level, not the individual level. In other words, the $250,000 guarantee would not apply per member in either case. Term deposits are invested with major Australian banks with Bank of Queensland and ANZ being the only two available presently. The Cash option invests in cash, term deposits, short-term bank bills, commercial paper and short-term fixed interest investments among others. CareSuper takes a prudent approach to managing members' money and both these options are allocated a risk level of 1 (the lowest possible) with a likelihood of a negative return being nil in every 20 years.

16. Will the fund be investing in the proposed Building Sector for Housing by State and Federal Government? Some European super funds invest in social housing - especially for the rental market. Given the current housing crisis - which is expected to take years - is there a view that our super industry should be more active in the social housing market? Would our members, for example, accept a lower return if there is more investment in social housing?

We are actively discussing the government's Housing Accord proposal, which encourages institutional investment in affordable housing. While we support the initiative for its community benefits, specific investment decisions will follow a thorough evaluation process.

Our commitment is to align investments with the best financial interests of our members and positively contribute to affordable housing. We will collaborate with the government to explore feasible investment solutions. Your financial security is our priority, and we will keep you informed of any developments. If you have further questions or need more information, please feel free to contact us.

17. Can you advise when the dividend of the share portion of my pension fund is paid into my fund? In fact it would be interesting to know how each portion of my fund is performing. This would assist in making a decision in considering a change to the investment selection. I check online monthly to see how the fund is performing. All I know is the balance is either up or down.

The value of all CareSuper options, including pension options, is adjusted daily to account for various sources of return. This adjustment considers returns generated from dividends paid by the share investments held within the option. The daily performance and the change in unit price reflect the combined impact of all sources of return from the underlying investments. This practice is standard across super funds.

To see how your investment options are performing, please check the unit prices available via your MemberOnline account. The performance of the various CareSuper options are also displayed on our website across various timeframes here. For a detailed understanding or if considering a change in investment selection, we recommend speaking with a financial advisor. We're here to help with any further questions you may have.

18. Future investment strategy and return expectation?

CareSuper is amongst the top 10 funds in the industry over the long-term time frame, so we have a long history of being a leading fund in terms of our performance and our performance track record's really consistent, which is what we're trying to achieve. In terms of forecasts for 2024 while we don't make specific forecasts, generally speaking, we are fairly cautiously positioned about the outlook and things in the world changing, so we would expect that year might be a year that's got some different things happening that could present some challenge. Financial year-to-date, to today (23 November 2023), as an example, the Balanced option is up modestly. It's not a big return but given what we're seeing in the world, that's quite a good outcome that we're seeing a positive return given equity and share markets have gone down a bit, and that really reflects our ability to absorb some of that volatility.

It's important to note that predicting returns for the upcoming financial year can be challenging due to various economic factors, including high inflation and interest rates, which have created ongoing market volatility. Add to this the geopolitical risks playing out in Russia/Ukraine and the Middle East further contributing to the uncertainty in global financial markets.

Regarding future performance forecasts, while we continually analyse market trends and economic indicators to inform our strategies, it is our policy not to publish specific future projections. The financial markets are inherently unpredictable, and as such, we focus on creating a resilient, diversified portfolio that is designed to withstand market fluctuations and deliver consistent long-term returns for our members.

19. Based on the last few years and current domestic and international market performance what do you anticipate the percentage returns/loss will be in the next 5-10 years and what industries and investment techniques will CareSuper use and invest in to achieve these results?

While we don't provide specific forecasts for future returns, CareSuper offers 12 investment options all with their own suggested investment timeframes and expected returns. You can find detailed information about these options in our Investment Guide on our website.

Our investment techniques are designed to manage risk while pursuing sustainable long-term returns. To delve deeper into our investment philosophy, strategies, and industry involvement, please see the 'how we invest' section of our website and our latest Annual Report. If you have more questions or wish to discuss our approach further, feel free to contact us.

20. What are the top 10 Australian and US shares that you invest in?

The top 10 Australian Shares can be found on our website at **caresuper.com.au/howweinvest.**

The top 10 US shares are listed below:

1. Microsoft Corp
2. Amazon.com Inc
3. Apple Inc
4. Nvidia Corp
5. Alphabet Inc
6. Mastercard Inc
7. Meta Platforms
8. Danaher Corp

9. Adobe Inc
10. Merck & Co Inc.

21. Can you please share the percentage exposure to different types of property. E.g. Commercial, office, retail etc?

You can find this information on page 30 of our **Annual Report** for 2023.

22. How has CareSuper compared to other funds, specifically Australian Retirement Fund and Aware Super for FY23?

For the 2022/23 financial year, our Balanced (MySuper) return was 9.05%, aligning with the median return for super funds. Importantly, CareSuper's long-term performance stands out with an average annual return of 8.04% over the past decade, surpassing the median super fund average of 7.32% per annum. This positions CareSuper as a top-tier fund in terms of long-term returns.

To assess our performance against ART and Aware Super over the same period, we encourage reviewing their 10-year performance data on their websites. Remember, long-term comparisons give the clearest indication of sustained performance, free from short-term fluctuations.

For ART and Aware Super's long-term performance, please visit their respective websites at: ART and Aware Super.

23. Banks are offering 5% rate of interest on savings. CareSuper's cash rate is so much lower. Why? How do you cater for inflation?

We've addressed both points comprehensively below:

Interest rates
The published return on our Cash option is retrospective, representing the performance over a specific timeframe, such as 1 year, 3 years, or more. As an illustration, for the 12 months leading up to June 30, 2023, our Pension Cash option yielded a return of 3.77%.* This figure reflects the context of rising interest rates during that period. To provide context, the RBA Cash rate started at 0.85% on July 1, 2022, and concluded the year at 4.1%. Achieving a 3.77% return over this timeframe is noteworthy, especially considering that the RBA cash rate only surpassed 3% in December 2022.

In contrast, Banks advertise forward-looking interest rates, being the rate you will earn from the date of investment onwards.

As at 30 September, our Cash option was earning 4.6%, a bit higher than what the Reserve Bank was offering at 4.1%. Some banks might advertise a 5% headline rate, but they often require you to lock your money up for a while or meet certain conditions. Our product is designed to give you flexibility, so you can switch or withdraw your money without any restrictions.

It's also worth considering the tax advantages of superannuation. The money you earn in your super account is taxed at a lower rate (just 15%) compared to interest income from regular bank savings, which could be taxed at a higher personal rate. Moreover, pension accounts in super don't pay tax. This favourable tax treatment within super could make a real difference to your after-tax returns.

* To outperform the return of the Australian cash market (as measured by the Bloomberg AusBond Bank Bill Index adjusted for implied superannuation tax).

Inflation
At CareSuper we offer 12 different investment options. Six Managed options and six single-sector Asset class options. Our Managed options have CPI-linked return objectives and are designed to keep pace with inflation.

The remaining six options are single-sector asset classes tied to market benchmarks. If you choose one of these, like Cash, it's important to be aware that your super may not keep pace with inflation. The more defensive single-sector Asset class options like Cash and Fixed-interest are more at risk of underperforming over the long term, especially in a high inflationary environment.

We recommend carefully considering your investment choices based on your financial goals. If protecting your savings from inflation is a priority, you may want to explore CPI-linked options or diversify your investments for potential inflation-beating returns. For further assistance or guidance in choosing the right option, please reach out to our financial planning team.

24. How did your returns compare to the other top super providers?

According to SuperRatings, an independent rating agency, as of 30 September 2023 the top 10 returns FYTD are as follows:

Date 30/09/2023	Category: Balanced (60-76)	Return period FYTD	
Rank	**Fund Investment option**	**Return**	**Return period**
1	CareSuper - Balanced	0.38%	FYTD
2	Australian Retirement Trust – Super Savings - Balanced	0.29%	FYTD
3	First Super - Balanced	0.29%	FYTD
4	Plum – Pre-mixed Moderate	0.25%	FYTD
5	Perpetual WealthFocus – Perpetual Balanced	0.24%	FYTD
6	MLC MKey Business Super – MLC Balanced	0.13%	FYTD
7	Mercer Super Trust – Mercer Select Growth	0.10%	FYTD
8	Hostplus - Balanced	0.06%	FYTD
9	TWUSUPER - Balanced	-0.05%	FYTD
10	Qantas Super - Growth	-0.06%	FYTD

Source: https://www.superratings.com.au/top-10-super-funds/

So from this, you can see that CareSuper is ranked number 1. While it's pleasing to see these results, when it comes to assessing the performance of your super, the most crucial factor you should keep in front of mind is to look at a fund's long-term performance.

Our Balanced (MySuper) option has consistently demonstrated robust performance, with an impressive average annual return of 8.04% over the past decade. This achievement places us within the top 10 performing super funds in Australia as rated by SuperRatings and compares favourably to the industry median return of 7.32% p.a. for the same period.* Beyond the past 10 years, our Balanced option has also shown strong returns over 15-year and 20-year periods maintaining its position in the top tier of funds.

* SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index, June 2023.

25. What are your projections for 2023/24 returns?

It's important to note that predicting returns for the upcoming financial year can be challenging due to various economic factors, including high inflation and interest rates, which have created ongoing market volatility. Add to this the geopolitical risks playing out in Russia/Ukraine and the Middle East further contributing to the uncertainty in global financial markets.

Regarding future performance forecasts, while we continually analyse market trends and economic indicators to inform our strategies, it is our policy not to publish specific future projections. The financial markets are inherently unpredictable, and as such, we focus on creating a resilient, diversified portfolio that is designed to withstand market fluctuations and deliver consistent long-term returns for our members.

26. Which are the top three companies CareSuper invests in that directly or indirectly utilise AI substantially? How does CareSuper apply an ESG lens when considering the benefits and risks associated with these companies?

AI has a wide range of potential applications that can have wide-reaching impacts. Several of CareSuper's major investments in its Overseas Shares portfolio, as outlined in the Where we invest your super section on our website, are companies that heavily rely on AI, either directly or indirectly. This includes our top four holdings, such as Microsoft, Amazon.com, Apple, and Nvidia, as well as companies like Alphabet and Meta Platforms, which are among our top ten investments.

CareSuper's investment managers apply an Environmental, Social, and Governance (ESG) lens to all potential investments, including those involved in artificial intelligence (AI). While each fund manager's approach will vary, these are the sorts of risks/benefit considerations that tend to arise:

- Social/workforce impacts: Job displacement and labour market shifts should be considered.
- Human rights, privacy and compliance: Protecting sensitive data, complying with data protection laws, and preventing misuse are essential.
- Ethical AI practices: Ethical data sourcing, algorithm transparency, and efforts to reduce biases should be implemented, alongside policies for addressing fairness, accountability, and transparency.
- Environmental impact: AI is energy intensive; companies using AI should manage environmental impact through energy-efficient algorithms, renewable-powered data centres, and sustainable hardware.
- Innovation and positive impact: Despite the challenges, there are also ways AI can contribute to positive societal impact, such as improving efficiency, addressing environmental challenges, or enhancing healthcare.

27. What are the best preservation strategies in a market that will is expected to see diminishing corporate returns in 2024?

It's important here to differentiate between what actions you, as a member, can take to preserve your superannuation and what CareSuper as a fund is actively doing to manage and safeguard your investments.

What you can do:
A fundamental approach to mitigating risks associated with fluctuating corporate profitability and share prices is to assess and potentially adjust your allocation to shares, as this asset class can be particularly sensitive to corporate earnings. Steps you can take here are to:

• Understand investment options: Review CareSuper's Investment Guide to familiarise yourself with the different investment options and the allocations between growth and defensive assets.
• Evaluate risk tolerance: Assess your risk tolerance and investment horizon. If corporate returns are expected to decline, and you're nearing retirement, you might want to shift to more defensive assets like cash or bonds.
• Seek advice: Consult with a financial advisor to tailor an investment strategy that suits your personal goals and circumstances, especially in light of the expected diminishing corporate returns.

What CareSuper is doing:
• Diversification: CareSuper maintains a diversified investment strategy, spreading exposure across various asset classes to reduce risk.
• Active management: The fund actively manages asset allocation, adjusting exposure to different investment types such as shares, bonds, property, etc., in response to changing market conditions.
• Rebalancing: CareSuper will rebalance the asset mix between growth and defensive assets to navigate through market fluctuations and preserve capital, especially if a downturn is anticipated.
• Monitoring inflation risks: Even with a preference for preservation, CareSuper is mindful of inflation risks and the need for some growth exposure to maintain the purchasing power of your super.

To sum up, as a member, you have the option to choose how much risk you're comfortable with by selecting your investment mix while CareSuper works to manage and adjust this mix actively. Together, these strategies are designed to help preserve your superannuation against the backdrop of uncertain corporate returns. For advice that is customised to your personal circumstances, we recommend discussing your options with one of our financial planners. We offer advice over the phone about your investment options as part of your membership, at no additional cost.

28. When will employers be made aware of the merger?

Employers and members will be notified directly about the merger as we approach the merger date. All members will receive individually addressed written notification of the merge with the issuing of a Significant Event Notice (SEN) as we approach the merger date. In the meantime, we continue to communicate with members, employers and other key stakeholders via our regular newsletters, magazines, and our website.

29. At the moment I feel that bank cash interest rates are earning as much as super investments. Therefore, I am wondering whether it is better to keep extra cash in the bank rather than add it to my super account. What are your thoughts on this?

While we can't provide personal financial advice in this forum, we'd like to highlight to all members that you have access to financial advice over the phone, about your super or pension account, at no additional cost. Alternatively, we can also look at your broader situation and provide more complex or comprehensive advice on a fee-for-service basis, which will be explained up front. You can book a call-back from a financial planner through our website, or by calling 1300 360 149.

30. Why does TPI and other insurance cover drop sharply after one turns 50 or 55? How much extra can I top up my super to ensure I'm adequately covered?

Members with age-based cover will have their cover reduced as they get older, this is due to the increasing cost of insurance as you get older to ensure it does not unreasonably erode your account balance and in recognition that members account balances increase over this period of time and the level of debt also decreases. Members on age-based cover can elect to fix their cover at any time by completing the Insurance application form or by contacting us. To determine the right level of cover and cost of insurance for you, you can arrange to speck to a financial planner through our website or by calling 1300 360 149.

31. I'd like to know the expected growth on the moderate (i.e. balanced) portfolio? I'd like to know what the company is doing for the environment? I'd like to know what the company mission and vision statements are?

We understand the importance of having clear expectations for your investments. While market conditions are subject to change, our aim for the Balanced option is aligned with its investment objective, which targets returns above CPI+3% over rolling 10-year periods. At our Annual Member Meeting on 23 November 2023, we presented slides that address last financial year's performance in greater detail. It's worth noting that while last year's results exceeded our long-term average, this level of performance is not guaranteed annually.

On the environmental front, the Fund is committed to responsible investing and has integrated environmental considerations into its investment decisions. For detailed information on our environmental efforts read our Net Zero Roadmap. You can also find detailed information regarding our fund mission/values and corporate ethos on our website here.

32. What happened to the death cover insurance? Is it no longer available in 2023?

While we can't provide answers regarding your personal circumstances here, generally cover ceases due to reaching the maximum insurable age, insufficient funds or due to member inactivity. If your insurance has ceased and you're not sure why, we recommend you contact our Contact centre for the reason your cover ceased and if you are eligible to reapply for cover.

33. What does the CareSuper Board see as the major drivers for this merger? Are there any red flag issues for the Board to address with members? Will there be organisational efficiencies with this merger? Please outline how this will work. Will headcount decline? Will member costs be reduced or increased due to a merger? Will a combined organisation have greater buying power with investment managers (eg Mercer) and reduce their substantial fees? Will there be post-merger analysis provided to members demonstrating better member outcomes?

CareSuper and Spirit Super agree that this is an exciting opportunity for both funds, each highly regarded, award-winning and high performing. This merge will create a combined fund with more than 500,000 members and almost $50 billion in funds under management. The funds share a vision to leverage the strengths of each fund and created a national, mid-sized fund that provides a distinct point of difference in the market. CareSuper and Spirit Super announced the merge earlier this year and will send individually addressed written notification of the merge to all members with the issuing of a Significant Event Notice (SEN) as we approach the merger date. Both funds are in a very healthy position and have strong and enviable reputations - we want to leverage our existing strength to continue improving our products and services and provide value for money. As mentioned earlier, we anticipate some savings for CareSuper members from the merger, but this will all be clearer as we work through the details.

34. Don't know if my super is being used as investment or is it just sitting there?

With any financial planning decision, it's important to consider your individual circumstances. We can't provide personal advice, specific to your situation in this forum, but we'd like to highlight all members have access to financial advice. This can be specific to your CareSuper account at no extra cost. Alternatively, we can look at your broader situation on a fee-for-service basis. You can book a call-back from a financial planner through our website, or by calling 1300 360 149.

35. Do you have any plans to better support members living internationally? For example, I wanted to nominate some binding beneficiaries but due to poor administration and/or software/QA testing the online form couldn't be printed, so CareSuper had to post a blank form overseas for me to complete and send back. I made a slight error on the date and corrected it and initialled it, only for the form to be rejected due to this. So we need to start the entire process again, this is currently a 6-8 week process for something which could be automated. Another example is updating personal details, the online portal only caters for Australian-based members and will not accept overseas addresses or phone numbers. In fact, even registering for this AMM, you will only send a notification reminder to an Australian-based mobile phone number? In this current environment, it is not uncommon for people to live and work overseas.

We are sorry to hear about your experience completing our **Nominating Your Binding Beneficiary** form. Forms should be able to be printed whether they are accessed in Australia or another country. The Binding Beneficiary form is a legally binding nomination so we must receive the original signed form completed correctly, however we understand that this may be inconvenient for our members residing overseas. We also encourage our members to contact us electronically through the Contact Us form if they reside overseas and are wishing to avoid international calls and issues such as time zone differences. Our MemberOnline platform is accessible 24/7 for members wishing to check on their super, and our online platforms are capable of accepting both international addresses and contact numbers. We will continue to work towards solutions to better service all of our members, including those residing overseas, and appreciate all feedback received.

36. I am 68, still working and contributing to my super via salary sacrifice and employer contributions. I seem to be getting nowhere and making no progress.

You might like to read our Transition to retirement article on our website.

With any financial planning decision, it's important to consider your individual circumstances. We can't provide personal advice, specific to your situation in this forum, but we'd like to highlight all members have access to financial advice. This can be specific to your CareSuper account at no extra cost. Alternatively, we can look at your broader situation on a fee-for-service basis. You can book a call-back from a financial planner through our website, or by calling **1300 360 149**.

37. Can you tell me the contact person for Brisbane office for a one-on-one meeting?

You can book a call-back with one of our financial planners here. You have access to financial advice over the phone, about your super or pension account, at no additional cost. Alternatively, we can also look at your broader situation and provide more complex or comprehensive advice on a fee for service basis, which will be explained up front. Alternatively, you can find the details of our client partnership team here.

38. I turned 60 this year and may be working full time for another two years, then retire. Shall I look at setting up a pension account during this transition period or just wait until I retire?

You might like to read our Transition to retirement article on our website.

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39. Is it advised to access super before retirement? Does the amount of super you have affect pension?

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40. Can I transfer my KiwiSaver funds to my CareSuper account?

CareSuper does not accept transfers from a KiwiSaver account.

41. If not contributing to my super how much do I need to add monthly to cover my retirement?

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42. Can you provide some ideas on how to structure your funds in the superfund once you have retired?

As a CareSuper member you have access to our limited advice team and this team can provide advice to you over the phone at no extra cost as it's included in your membership.

One of those topics is how to choose the right CareSuper investment option for you. To do this they will help you work out the right amount of risk for you which is called your risk profile. They'll ask you a range of questions to understand things like your investment timeframe, and your ability to tolerate market volatility. Then they will recommend the CareSuper investment option most suited to your personal needs. You can access this team as many times as you like so if you haven't reviewed this we encourage you to reach out so we can help you get you investments set up the right way for you.

They can also advise you on other topics like contribution strategies, reviewing your CareSuper insurance, beneficiary nomination and they can help you understand how you're tracking and what kind of income your super may provide you in retirement. You can book a call-back from a financial planner through our website, or by calling us.

43. As we are 82 and in Pension phase we must withdraw 7% of our balance this year. This is more than we need for our lifestyle. What should we do with the excess apart from giving it away. We are trying to keep our lives simple so no complex investments please.

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44. What and how much were the payments made to the union movement?

$10,000 (plus GST) was paid to the Australian Services Union as sponsorship for the purpose of promoting CareSuper and obtaining new members, while also being assessed from a members' best financial interests perspective. Director fees for two directors of $195,746 was paid to the Australian Services Union.
For information on all payments to related parties, see the Long-form expenditure summary for 2022/23 available on our website.

45. I am 64 years old and still working. What investment options are available to me, and how do they align with my retirement goals and risk tolerance? Can you provide information about the performance and historical returns of these investment options? What are the fees associated with managing my superannuation account, and how can I minimize them? Do you offer any retirement planning tools or resources to help me make informed decisions about my investments? Are there any specific strategies or products designed for individuals nearing retirement age like me? What are the options for transitioning from the accumulation phase to the pension phase with CareSuper? How can I ensure that my investment strategy aligns with my financial goals and timeline as I approach retirement?

With any financial planning decision, it's important to consider your individual circumstances. While we can't provide personal financial advice in this forum, we'd like to highlight to all members that you have access to financial advice over the phone, about your super or pension account, at no additional cost. Alternatively, we can also look at your broader situation and provide more complex or comprehensive advice on a fee for service basis, which will be explained up front. You can book a call-back from a financial planner through our website, or by calling us.

46. Can you provide details of promotion, marketing and sponsorship expenditure?

The details of our promotion, marketing and sponsorship expenditure can be found in our Long-form expenditure summary for the 2022/23 financial year available on our website at: **caresuper.com.au/2023summarypayments.**

47. There was an article in the daily papers recently about a large super fund being sued over duplicate accounts. Since my husband died I now have two super accounts with CareSuper, which I have been advised cannot be merged. What is the difference, and why has this not been picked up and acted on?

A duplicate account is a second superannuation account created for a member with an existing account. This can occur for various reasons, such as when accounts are created on a member's behalf by an employer. CareSuper completes monthly reporting to identify any duplicate accounts so that the issue can be rectified. We do not, however, automatically merge accounts in pension phase due to other implications on the account. (This member was contacted directly to discuss their situation and resolve the query.)

48. What is this for?

The 2022/23 event was CareSuper's fourth legislated Annual Member Meeting, held on 23 November 2023.

49. Please tell me why I got a loss of 5k?

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50. What are the fees and charges?

You can find details of the fees for a CareSuper account at caresuper.com.au/fees as well as in our What it costs to be a CareSuper member – fees and costs booklet and in our Pension PDS.

51. In the next year, or after this annual meeting, can you please provide the members with updated funds statement by every quarterly? Please kindly confirm this at the meeting.

We send annual statements after the end of each financial year, however you can access the most up-to-date information and manage your account online by logging into MemberOnline at any time. You can view your balance, recent contributions, fees, withdrawals, insurance, investments and update your details on your personal dashboard.

52. How do I gain even more with CareSuper?

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53. I have begun work, 8 hours a fortnight in the fitness industry, the company says I'm a sole trader but asked for a super fund, which I opened with you for them to pay into. Centrelink sees me as an employee, tax and accounts people say sole traders pay their own tax but it states in my fitness contract my employer will pay super. I have emailed time and again as to when they will contribute but I have no answer. I phoned CareSuper and I believe, don't quote me, possibly, I was told it takes 6 months to tell . Can I be told if I am having any money going in and how this best benefits me in this industry? How does it affect Centrelink and tax?

While we can't provide personal financial advice in this forum, we'd like to highlight to all members that you have access to financial advice over the phone, about your super or pension account, at no additional cost. Alternatively, we can also look at your broader situation and provide more complex or comprehensive advice on a fee for service basis, which will be explained up front. You can book a call-back from a financial planner through our website, or by calling us on **1300 360 149.**

54. When will the steady decline in my super balance stop?

Investments can go up and down and can be impacted by many factors. It's important to remember that super is a long-term investment, but if you'd like advice about your super and your individual circumstances then you can give us a call. As a CareSuper member, you have access to financial advice over the phone, about your super or pension account, at no additional cost. Alternatively, we can also look at your broader situation and provide more complex or comprehensive advice on a fee for service basis, which will be explained up front. You can book a call-back from a financial planner through our website, or by calling **1300 360 149**.

55. If living overseas am I still able to access and how is it done?

You are able to join our Annual Member Meeting webinar from anywhere in the world as long as you have internet connection. The link we send you will remain the same.
Please note, a link to the recording of the webinar can be viewed at **caresuper.com.au/2023.**

56. Issue is the time, I'm in WA, I will be at work still at 2.30pm. By the time I'm home it's finished so I will miss this.

We're sorry this time wasn't suitable for you. Our AMM was recorded, and you can view the recording on our website at **caresuper.com.au/2023amm**.

57. Discuss Death tax and taxable and non-taxable component please?

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58. When will CareSuper implement 2-factor authentication for accessing accounts as has become standard business practice?

CareSuper does currently use multi-factor authentication. This is triggered in various situations including whether your browser, time of use, device used, ISP or location are different from your usual online activity.

59. Why is the short form expenditure set up with explanations on the reverse page and set up in a way that implies the total is the bottom line and why is there no total or comparison with previous years or peer providers? How are these numbers likely to change in the future and what is being done to make them more transparent?

The Expenditure Summaries (both Short-form and Long-form) are presented in the format prescribed in the SIS regulations. Specifically, these regulations require both Expenditure Summaries to only present information relating to the entity for the year of income (i.e. Financial year 2022/23).

CareSuper will continue to ensure its fund expenditure aligns with its strategic objectives and is in the best financial interests of its members, while for transparency CareSuper will continue to disclose any payments made for promotion, marketing, sponsorship, gifts and donations and any payments to industry bodies, trade associations and related parties.

60. Can you provide information on salary sacrifice, life insurance deductions after retirement and how tax is paid on super contents

You can find out more about salary sacrifice here and tax on your super here and information about insurance can be found in our Insurance Guide. If you'd like advice about your circumstances, please give us a call. Over the phone advice about your super or pension is available at no extra cost to you. Alternatively, we can look at your broader situation on a fee-for-service basis. You can book a call-back from a financial planner through our website, or by calling **1300 360 149**.

61. Your super statements which refer to modest and comfortable retirement and interpreting same. Can you please explain?

The Modest and Comfortable figures are based on ASFA retirement figures. To help you understand the income you could receive when you stop working, we've used the 'Retirement Standard'. The Retirement Standard figures are calculated by the Association of Superannuation Funds of Australia (ASFA). This data provides a comprehensive breakdown of expenses for couples and singles to maintain a healthy and connected lifestyle in retirement. According to ASFA, a comfortable lifestyle allows retirees to maintain a good standard of living and accounts for private health insurance, exercise, leisure activities and the occasional restaurant meal. A modest retirement lifestyle is slightly above the Age Pension and allows retirees to afford basic health insurance and some exercise, leisure and social activities.

62. Why are your fees going up when Super/Pension balances are going down?

We have recently increased the additional administration costs component of our administration fee. This fee component is not deducted from your account. The additional administration costs component of our administration fee, which increased by 0.02% is paid directly from fund reserves (fund savings from previous financial years). The fees deducted directly from your account have not changed. This change enables us to continue to invest in growth opportunities and long-term, cost-saving initiatives, such as our recent insurance changes, which resulted in insurance fee reductions for most members. We're proud of the low fees and great value we offer, which have resulted in our Balanced (MySuper) product being ranked as the top value-for-money default super investment option, winning the 2023 MySuper of the Year award from independent ratings agency SuperRatings.

63. How can I decrease my tax return using super?

You can read all about tax and your super here. If you'd like advice about your circumstances, please give us a call. Over the phone advice about your super or pension is available at no extra cost to you. Alternatively, we can look at your broader situation on a fee-for-service basis. You can book a call-back from a financial planner through our website, or by calling 1300 360 149.

64. Your email that provide easy access to annual statement , only details required are DOB and surname. Could you remove this and force user to login to their account?

Members who are sent their statement via email are supplied a personalised URL in the email which is specific to each individual member. Combined with the other 2 points of data (DOB and surname) there are 3 points of security. Some members have expressed issues when they log into MemberOnline so we try to make the statement as easily accessible (whilst maintaining account security). If you prefer to log into MemberOnline to access your statement (instead of accessing through the personalised URL), you can navigate to CareSuper's website when you receive the email in the future and log into your account from there.

65. How do I change my beneficiary? Can I borrow money from my super even if I don't reach my age of preservation? Can I deposit money to my super if I have extra money? I don't have a salary deduction to my super. Just in case I have extra money and I would like to deposit it instead of salary deduction. Is there any account number that we can just transfer the money to my Super? In my case what age should I be able to withdraw my money? Can I use my super to buy a house? How do I do it?

With any financial planning decision, it's important to consider your individual circumstances. We can't provide personal advice, specific to your situation in this forum, but we'd like to highlight all members have access to financial advice. This can be specific to your CareSuper account at no extra cost. Alternatively, we can look at your broader situation on a fee for service basis. You can book a call-back from a financial planner through our website, or by calling 1300 360 149.

66. I retired from my work in September 2016. I currently do volunteer work at Salvation Army while waiting for my retirement age of 67. I am now 65. My question is. Can I withdraw my super now as I don't work anymore?

Once you turn 65, you are able to access your superannuation moneys whether you are continuing to work or not. Please feel free to contact us for assistance. Members have access to super-related financial advice at no extra cost. Alternatively, we can look at your broader situation on a fee for service basis. You can book a call-back from a financial planner through our website, or by calling 1300 360 149.

67. I would like to know more about transitioning to retirement, and once you are a member how you manage the finances? Also, when you work more than 35 hours what benefits do you have when you're a member on the retirement program?

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68. My expenses, please explain $12,406?

You can find details of the fees for a CareSuper account at **caresuper.com.au/fees** as well as in our What it costs to be a CareSuper member – fees and costs booklet and in our Pension PDS. To discuss deductions on your account specifically, please call us.

69. Feedback on the amalgamation. Will CareSuper still be offering the same managed funds and direct investment options?

CareSuper and Spirit Super agree that the merger is an exciting opportunity for both funds, each highly regarded, award-winning and high performing. This merge will create a combined fund with more than 500,000 members and almost $50 billion in funds under management. The funds share a vision to leverage the strengths of each fund and create a national, mid-sized fund that provides a distinct point of difference in the market. Nothing will change on your account or in the way we manage your account right now. The merger is expected to be completed in late 2024. As decisions are made for the future, we will communicate with you. All members will receive individually addressed written notification of the merge, including any impacts to our services, with the issuing of a Significant Event Notice (SEN) as we approach the merger date.

70. In relation to the merged entity, what plans do CareSuper and Spirit Super have in regards to: a) Integrating the investment function across both funds, and ensuring that illiquid asset valuations are up-to-date and marked-to-market b) Identifying third party contracts related to material business activities that will need to be initiated, terminated or continued e.g. external fund manager contracts c) Achieving a high standard in data quality and information security across the various phases of the merge process d) Identifying the need for business platforms that could be integrated, modified or replaced?

As we prepare to merge, CareSuper and Spirit Super are working together on these and many more important questions. Both funds agree that the merger is an exciting opportunity for both funds, each highly regarded, award-winning and high performing. This merge will create a combined fund with more than 500,000 members and almost $50 billion in funds under management. The funds share a vision to leverage the strengths of each fund and create a national, mid-sized fund that provides a distinct point of difference in the market, and both are committed to bringing the best of each fund together. The merger is expected to be completed in late 2024. As decisions are made for the future, we will communicate with you. All members will receive individually addressed written notification of the merge, including any impacts to our services, with the issuing of a Significant Event Notice (SEN) as we approach the merger date.

71. Why is my balance is not increasing as much as my contributions going in? I am going backwards and not happy.

Contributions into your superannuation account are generally taxed at a concessional rate of 15%. Your account balance is also affected by administration costs, and insurance fees if you hold insurance cover. We are pleased to report that our CareSuper Balanced (MySuper) option returned a strong 9.05% for the 2022/23 financial year, and we are committed to providing long-term returns for our members to grow their superannuation balances. To discuss your specific account, please do not hesitate to contact us on 1300 360 149.

72. Can the share brokerage costs under DIO be reduced to better align with Australian Super ($13, 0.1%)?

Unfortunately we can't reduce the brokerage fees as they are charged by third party service providers under agreements we have entered into. We do of course seek to negotiate the best deal we can for our members when these agreements come up for renewal.

73. Post-merger how will the merged fund retain nimbleness to protect risk-adjusted returns? For example being able to move capital effectively between asset classes in response to global events?

We believe that the new entity, which will be almost $50billion in assets, will retain its ability to be nimble, but at the same time give CareSuper some of the benefits of being a larger fund.

CareSuper's investment approach is to actively manage your super - benefiting from rising markets, but also protecting your balance during more challenging times. Being a medium-size fund gives CareSuper the flexibility to achieve this by shifting across asset classes, using a myriad of tools, to take advantage of opportunities, or protect against downside risk. At its new size, the merged entity will still be in a position to execute its investment strategy and 'active approach' to achieve strong risk-adjusted returns.

At the same time, the larger entity will be able to harness some of the benefits of a bigger fund, including greater economies of scale, a larger pool of resources and a wider opportunity set of investments. This will place CareSuper in a strong position to take advantage of more opportunities while at the same time, being able to deliver a 'smooth ride' of returns.

The tools and instruments we use to achieve changes to asset allocation in a dynamic manner are typically highly liquid and still readily accessible to a mid-sized fund.

74. What steps does CareSuper take to ensure that the investments in alternative assets are correctly valued and are fairly liquid?

CareSuper primarily invests in unlisted assets through third-party managers. Before investing in a new unlisted asset, we assess the valuation policy of the manager to ensure it aligns with our Asset Valuation Policy. We review the managers' valuation policies annually and confirm their adherence.

We gain confidence in the valuation process, as reputable, independent valuers, such as 'big four' accounting firms, typically conduct the valuations. This includes quarterly valuations for property assets, semi-annual valuations with quarterly updates for infrastructure assets, and techniques aligned with industry guidelines for private equity.

To govern valuation, we receive and analyse independent audit opinions for each unlisted investment vehicle, comparing them with valuations provided by managers. We monitor recency, ensuring valuations are current, and compare investment returns with market indices.

Managing liquidity risk is integral, guided by our Liquidity Policy approved by the Board and complying with superannuation laws and APRA standards. We regularly monitor liquidity levels for each investment option, assess cash flows, and stay vigilant for events causing liquidity constraints.

When allocating to alternative investments, we balance their diversified returns with overall portfolio liquidity. Allocation decisions are part of the Fund's annual strategy review and periodic asset class reviews.

75. I know the 'Downsizer Rule' but if you are still working have very little in your fund and are a 'Sole Trader' wouldn't it be more beneficial to put the $27,500 in the fund per year to claim it as a tax deduction rather than put the whole lot say $100,000 into super in one hit? Can't get a straight answer on this!

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