Term Allocated Pension guide

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CareSuper

This guide tells you everything you need to know about our Term Allocated Pension accounts. It doesn't include details about our Transition to Retirement Income, Flexible Income or Managed Income accounts. For more details about these products, please refer to the relevant PDS at **caresuper.com.au/pds**.

This *Term Allocated Pension guide* is a product disclosure statement (PDS). It's a summary of significant information and tells you about the features, benefits, risks and significant terms and conditions of our Term Allocated Pension product. It has information for members who have a Term Allocated Pension with CareSuper. **Our Term Allocated Pension is closed to new applications, members and accounts.**

Any reference to 'the trustee', 'we' or 'us' in this guide means CareSuper Pty Ltd, ABN 14 008 650 628. 'Fund' means the super fund known as CareSuper. 'Retirement Income' means the retirement income section of CareSuper. If we say 'CareSuper account', we mean an accumulation account in CareSuper.

This guide contains general information only and doesn't take into account your objectives, financial situation or needs. Before making a decision about CareSuper, you should consider if this information is right for you. You may also wish to consult a licensed financial adviser. Any advice provided in this guide is provided by CareSuper Advice Pty Ltd (ABN 78 102 167 877, AFSL 284443). A copy of the *Financial services guide* for CareSuper is available at **caresuper.com.au/fsg**.

All information, rates and/or fees are current at the time of production and are subject to change. Changes to government legislation and super rules made after this time may affect the accuracy of the information provided. We may make non-materially adverse changes to this information at any time on our website. Updated information is available free of charge at **caresuper.com.au** or by calling us on **1800 005 166**. We recommend you regularly check our website for updated information about this product.

Past performance isn't a reliable indicator of future performance. The value of investments can rise or fall, and investment returns can be positive or negative. The trustee doesn't guarantee the investment performance, earnings or return of capital invested in CareSuper. For information about the performance of an investment option, visit **caresuper.com.au**.

Our retirement income accounts are subject to minimum pension standards in super regulations applicable to account-based pensions. Some, but not all, of these pension standards have been summarised in this guide as they're applicable to all super (account-based) income stream products and must be adhered to (whether or not they're mentioned in this guide). If there's any inconsistency between the minimum standards and this guide, the standards prevail.

The rights of members are ultimately governed by the trust deed governing CareSuper. While the trustee has taken all due care in the preparation of this guide, it reserves the right to correct any errors and omissions. If there's any inconsistency between the trust deed and this guide, the trust deed will prevail.

Read this guide and keep it for future reference. A paper or electronic copy of this information is available free of charge on request by calling us on **1800 005 166**.

What's covered in this guide?

About CareSuper

CareSuper is a multi-industry, profit for members super fund. Our vision is to be Australia's most trusted partner in retirement confidence through exceptional care and connection.

We provide super, retirement and advice options when you need them to help you feel confident on your journey to and through retirement.

Trustee and executive remuneration and other important information that must be disclosed to you under financial services law is available at **caresuper.com.au/about-us**.

The CareSuper Term Allocated Pension is closed to new applications, members and accounts.

Our aim is to provide the best deal we can for our members. Here are some of the great benefits you can enjoy:

Putting members first

We return all profits to our members.

We keep our fees competitive, and limit the costs members pay by capping the percentage-based part of our administration fees and costs. Joining fees don't apply, and we don't charge you to change your investments.

Investing for you

Our investment philosophy guides the way we invest your super savings. As a CareSuper member, you benefit from our dual investment approach. We actively manage your super, taking advantage when markets rise. But we also protect your super during volatile times. The result? A smoother ride to your life after work.

Your money is professionally managed on your behalf by our investment experts. You don't have to make day-to-day decisions on what to invest in, nor do you have to keep track of all the paperwork.

No two CareSuper members are the same. That's why we offer a range of investment options, each with different targets for returns and levels of investment risk. This variety lets you mix and match your investments to suit your own goals.

Easy and convenient account access

Member Online is a secure online service that gives you up-to-date information about your account. It lets you manage your account anywhere and anytime.

It's easy to set up your online access. Simply go to **caresuper.com.au**, click 'Log in', and follow the prompts.

You can also download the CareSuper app for easy access to your account.

For more details, go to *Staying up to date with your account* on page 44.

Help when you need it

Careful planning can make a big difference to your retirement lifestyle, so it's generally a good idea to get financial planning advice before you decide what to do.

See *Need advice?*on page 45 for more details.

About the Term Allocated Pension

With a Term Allocated Pension, you receive a regular income, and your account is invested for a fixed period of time, based on your life expectancy or that of your spouse (referred to as the term).

Your Term Allocated Pension may also be eligible for Services Australia and Department of Veterans Affairs concessions.

The main features of our Term Allocated Pension account are outlined in the following table:

Feature	Details
Who can join?	This product is closed to new members.
Additional contributions	You can't make additional contributions.
Term	The number of years your Term Allocated Pension is to be paid for. You can't change the term for your CareSuper Term Allocated Pension. See page 7 for more details.
Income payments	Your income payments are recalculated each year. The amount you receive is based on your account balance at 1 July divided by a pension factor reflecting the number of years remaining in the term of your pension. You can vary your income payments between 90% and 110% of the annual amount. Your annual payment amount may change from year to year depending on the performance of the option/s you're invested in. See page 7 for more details.
Payment frequency	Choice of fortnightly, monthly, quarterly, twice-yearly or yearly payments. You must receive at least one income payment in a financial year. See page 7 for more details.
How will I receive my income payments?	We'll pay into your nominated bank, building society or credit union account. Your account must be held solely or jointly in your name. We can't make payments to business accounts or third parties.
How long will my account last?	Your Term Allocated Pension will end at the earliest of: • the end of the term (you chose this when you started your Term Allocated Pension) • when your account balance is zero • you transfer your account to another complying income stream that accepts Term Allocated Pensions or • you pass away and haven't nominated a reversionary beneficiary[1] for the income payments to continue (see page 40 for more details on beneficiaries).
Withdrawals	Generally, you can't make lump sum withdrawals, except in limited circumstances. See page 9 for more details.
Fees	Fees and costs apply. See page 29 for details.
Social security impacts	Your account will be assessable for Service Australia's assets and income tests. For more details, see page 42.
Investment options	You can invest your account in one or a mix of our investment options. You can switch your investments and future transaction instruction[2] at any time. See pages 19 to 27 for more details on our investment options.
Investment earnings	Investment earnings in your Term Allocated Pension are generally tax-free.
Beneficiary option	When you started your Term Allocated Pension, you could nominate a reversionary beneficiary who would continue to receive your income payments in the event of your death. If you didn't make a reversionary beneficiary nomination, you can make a binding or non-binding death benefit nomination. See page 40 for more details.

1 If your Term Allocated Pension was established using the life expectancy of your reversionary beneficiary, and you pass away, your income payments will automatically be paid to your reversionary beneficiary and can't be taken as a lump sum.

2 Your future transaction instruction tells us which investment options you want us to pay future transactions from, including your income payments and fees.

Benefits of a Term Allocated Pension

Benefits of investing in our Term Allocated Pension include:

- receive regular income payments into your bank account (on top of any government benefits you may be entitled to)
- income payments are tax-free from age 60
- your retirement savings generally continue to grow as your account stays invested
- investment earnings are tax-free.

Risks of super

All investments, including super, carry some risk. Understanding the risks involved with your super can help you make informed choices about your financial future.

Different investment options or strategies have different levels of risk, depending on the assets they invest in. Assets with the highest level of investment returns over the long term will usually also have the highest risk of loss over the short term.

Significant risks associated with super investments include inflation risk, liquidity risk, market risk, interest rate risk, currency risk, security-specific risk, derivatives risk, agency risk and credit risk.

When considering investing in CareSuper, it's important to understand that:

- the value of your investments will vary, the level of returns will vary, and future returns may be different from past returns
- returns aren't guaranteed, and you may lose some of your money
- super laws may change in the future. Other laws may also change, for example, tax and social security laws
- your super savings (including returns) may not be enough to adequately provide for your retirement.

Your risk tolerance will vary depending on a range of factors including your age, your investment time frame, how your other assets are invested and how much risk you're comfortable taking on.

Investing too conservatively also has risks. The main risk is that your money will grow too slowly, and may not keep pace with inflation or your income needs in retirement.

For more details see *Investing and risk* on page 14.

How your Term Allocated Pension works

Our Term Allocated Pension provides regular income payments for a fixed period of time (referred to as the term of your pension).

The term of your pension

When your Term Allocated Pension started, you chose the term of the pension (within limits set by the government) - that is, the number of years you wanted income payments to be paid to you.

This decision was permanent, and once your account opened, you couldn't change the term you'd chosen.

The term for your Term Allocated Pension is between a minimum and maximum allowable term. The length of the term depended on when the account was started and your age at that time. If the Term Allocated Pension was set up as a reversionary pension, then the term of the pension could also be set based on the reversionary beneficiary's life expectancy.

More details about reversionary beneficiaries can be found in *Nominating your beneficiaries* on page 40.

You may be able to change your term by transferring your Term Allocated Pension to another complying super fund that offers term allocated pensions with the option to select a new term.

Your income payments

We'll pay into your nominated bank, building society or credit union account. Your account must be held solely or jointly in your name. We can't make payments to business accounts or third parties.

How often you'll get paid

You can choose how often you want your income payments to be made.

Frequency	When
Fortnightly	Every second Thursday
Monthly	20th of each month
Quarterly	20th of every third month, starting in the month that you choose
Twice-yearly	20th of every sixth month, starting in the month that you choose
Yearly	20th of the month that you choose

How much income you'll receive

The government sets limits on how much you can receive as income payments each year. You must receive at least one income payment in a financial year.

Each year, your annual income payment amount is recalculated. The amount you'll receive depends on your account balance at 1 July and the pension payment factor applicable for the remaining term of your Term Allocated Pension (see **Table 1** on page 8).

The remaining term of your pension is the number of years you have left before your Term Allocated Pension ends. On each 1 July, the number of years is rounded up if the account originally commenced between 1 January and 30 June, or rounded down if the account commenced between 1 July and 31 December.

Your annual income payment is calculated as follows:

Your annual income payment amount = Your account balance ÷ payment factor

You can vary your annual income payment amount within a range that isn't less than 90% and not greater than 110% of your annual prescribed income payment.

Your annual amount is then divided according to the frequency of payments you've chosen.

Table 1 - Pension payment factors

Remaining term	Payment factor	Remaining term	Payment factor
70 or more years	26.00	35	20.00
69	25.91	34	19.70
68	25.82	33	19.39
67	25.72	32	19.07
66	25.62	31	18.74
65	25.52	30	18.39
64	25.41	29	18.04
63	25.30	28	17.67
62	25.19	27	17.29
61	25.07	26	16.89
60	24.94	25	16.48
59	24.82	24	16.06
58	24.69	23	15.62
57	24.55	22	15.17
56	24.41	21	14.70
55	24.26	20	14.21
54	24.11	19	13.71
53	23.96	18	13.19
52	23.80	17	12.65
51	23.63	16	12.09
50	23.46	15	11.52
49	23.28	14	10.92
48	23.09	13	10.30
47	22.90	12	9.66
46	22.70	11	9.00
45	22.50	10	8.32
44	22.28	9	7.61
43	22.06	8	6.87
42	21.83	7	6.11
41	21.60	6	5.33
40	21.36	5	4.52
39	21.10	4	3.67
38	20.84	3	2.80
37	20.57	2	1.90
36	20.29	1	1.00

Minimum pension drawdown requirements if your Term Allocated Pension commenced after 20 September 2007

If your Term Allocated Pension started after 20 September 2007, the amount received must also be no less than the minimum drawdown requirements that apply to account-based pensions, as shown in **Table 2** on this page.

We may adjust your income payments to ensure you meet the prescribed minimum requirements.

Table 2 - Minimum income drawdown requirements

Age on 1 July	Minimum income drawdown*
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95+	14%

* Percentage of your account balance on 1 July.

Example

Meet Terry

Terry is 78 and his Term Allocated Pension started after 20 September 2007.

Terry's account balance at the start of the 2024-25 financial year is $500,000. The remaining term of his Term Allocated Pension is 19 years:

- the payment factor (from **Table 1** on page 8) is **13.71**.
- his prescribed annual income amount for 2023-24 is **500,000 ÷ 13.71 = $36,470**
- his minimum income drawdown amount for 2024-25 (from **Table 2** on page 8) is **$500,000 X 6% = $30,000**
- he can choose to receive annual income payments for the year of between **$32,823** (90% of $36,470) and **$40,117** (110% of $36,470). This also meets the minimum income drawdown requirements

If he chooses an annual payment amount of **$40,117** paid quarterly, each payment will be **$40,117 ÷ 4 = $10,029**.

Changing your income payments

You can change the amount and frequency of your income payments:

- by calling us on **1800 005 166**
- by completing the *Change your income payments* form available at **caresuper.com.au/forms**.

We need to receive your request at least three business days before the next scheduled payment date. We'll generally update your income payments within three business days of receiving your request.

If you change your payment frequency, your current income payments will cease once your change is processed. You won't receive any payments until your new nominated payment date.

How your account will be invested

You decide your investment strategy, from the available investment options.

- Our Pre-mixed options have a pre-determined mix of asset classes in various proportions. These include shares, property, infrastructure, cash, fixed interest and alternative assets (such as absolute return and thematic opportunities).
- Our Asset class options are mainly invested in one asset class or investment sector.

You can make an investment choice at any time, and there's no minimum balance requirement.

See *How to choose what's right for you* on page 10 for things you should consider when choosing your investments.

Changing your investments

You're not locked into your investment choice. Here's what you need to know and how to change things if you need to.

You can usually switch between Pre-mixed and Asset class options as often as daily, but frequent switching can work against you.

Generally, if you switch all or part of your super to a different investment option(s), the benefits, features and services available through your account don't change.

How to make an investment switch

You can change how the money in your account is invested across our Pre-mixed and Asset class options:

- through **Member Online**
- by calling us on **1800 005 166**
- by completing the *Change your investments* form available at **caresuper.com.au/forms**

The cut-off time for switch requests for our Pre-mixed and Asset class options is 4pm AEST/AEDT on a business day.

Requests received after the cut-off times or submitted online on a national public holiday or weekend will be processed effective the following business day.

Future transactions

You can choose which investment option(s) your income payments and fees and costs deducted from your account, are paid from. This instruction can be different to how the money in your account is invested.

If you don't have enough funds in your nominated option(s) for your future transactions, we'll draw the amounts proportionately from your other investments.

You can change your instruction for future transactions:

- through **Member Online**
- by calling us on **1800 005 166**
- by completing the *Change your investments* form available at **caresuper.com.au/forms**

Withdrawals

You can't make lump-sum cash withdrawals from your Term Allocated Pension, except in the following circumstances:

- you transfer your full balance to another complying income stream
- to pay a super surcharge liability
- to make a family law split in the event of a relationship breakdown or divorce
- when you pass away and your Term Allocated Pension isn't based on the life expectancy of your reversionary beneficiary, or if you pass away after your reversionary beneficiary
- to satisfy a release authority issued by the Commissioner of Taxation

If you satisfy one of these criteria and want to make a withdrawal, you'll need to withdraw the entire balance of your account. You can't make part withdrawals from your Term Allocated Pension. Your income payments will stop at this time.

When does your Term Allocated Pension end?

Your Term Allocated Pension will end at the earliest of:

- the end of the term
- when your account balance is zero
- when you transfer your account to another complying income stream that accepts term allocated pensions or
- when you pass away and haven't nominated a reversionary beneficiary for the account to continue (see page 40 for more details on beneficiaries)

Investments

How to choose what's right for you

No two CareSuper members are the same. That's why we offer a range of investment options.

This variety lets you mix and match your investments to suit your own goals.

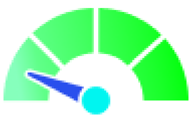
Consider these factors to feel confident in your choice.

How hands-on do you want to be?

How involved do you want to be in managing your investments?

For a low maintenance investment, consider choosing one of our six Pre-mixed options.

If you want to create your own portfolio, you can mix and match any of our Pre-mixed and Asset class options.



Low involvement

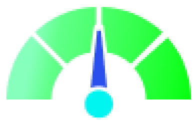
Pre-mixed options

Our Pre-mixed options are ready-made, diversified portfolios set up by our investment experts.

Our Pre-mixed options are:

- Balanced
- Growth
- Alternative Growth
- Sustainable Balanced
- Conservative Balanced
- Capital Stable

For more details, go to page 19.



Medium involvement

Asset class options

Our Asset class options provide exposure to a specific sector (and sometimes a small allocation to cash).
These options are diversified across the asset class they specialise in, however they aren't as diversified as the Pre-mixed options.

Our Asset class options are:

- Overseas Shares
- Australian Shares
- Property
- Fixed Interest
- Cash

For more details, go to page 25.

How long you'll be invested

As a general rule, the longer your super is invested, the more investment risk you may be able to accept as there's generally more time to recover after a downturn.

Knowing your investment time frame can affect the investment choices you make.

To help you compare our investment options, we've shown the investment time frame and risk level of each option.

How you feel about the risk/return trade off

All investments carry a level of risk. We've explained more about risk and managing your risk on page 14.

Growth assets, such as shares, tend to generate higher returns over the long term, although they also carry a greater chance of short-term negative returns.

Defensive assets such as cash and fixed interest are generally steadier and more stable. However, their returns are usually lower over time, and there's a risk that returns may not keep up with inflation.

Each of our Pre-mixed options has a mix of growth and defensive assets.

How much money you've invested in super and elsewhere

How much risk you're comfortable with and the returns you're targeting will be influenced by different factors that are unique to you. For example, how much you have in super, any investments you hold outside super and your overall financial position.

What it costs to invest with us

The total fees and costs you pay to invest depend on the investment option(s) you're invested in.

For more information on the cost of our products, read the *Fees and costs* section on page 29.

Your investment options at a glance

Important information

Before deciding which option(s) to choose, it's important to understand the objectives and strategy of each investment option, as the expected risk and return varies.

It's important to note that the investment objectives aren't forecasts or guarantees of future returns. Investment option returns aren't guaranteed, and the value of investments might rise or fall. Past performance isn't a reliable indicator of future performance.

For the latest investment returns and unit prices, go to **caresuper.com.au/investment-performance**.

When deciding which investment option to choose, consider the information about asset allocation and risks in *Investments* starting on page 10, and the applicable fees and costs detailed in *Fees and costs* starting on page 29.

Please note that we'll switch your account balance to the Cash option when we're advised that you've passed away. Refer to *What happens to your investments when you pass away?* on page 28 for more details.

Pre-mixed options

Investment option	Indicative growth and defensive asset mix^	Risk level*	Minimum investment time frame	More on this option
Balanced This option invests in a diversified mix of assets with an emphasis on Australian and overseas shares, property and infrastructure.	70/30	Medium to high	5+ years	Page 19
Growth This option mainly invests in growth assets with an emphasis on Australian and overseas shares.	83/17	High	7-10 years	Page 20
Alternative Growth This option invests in a diversified mix of assets with an emphasis on infrastructure and credit as well as Australian and overseas shares.	70/30	Medium to high	5+ years	Page 21
Sustainable Balanced This option invests in a diversified mix of assets. The external investment managers within the Australian and overseas shares asset classes for this option aim to exclude direct investments in certain listed companies (through negative screening), and also consider positive environmental and social themes when selecting certain investments.	70/30	Medium to high	5+ years	Page 22
Conservative Balanced This option is designed to achieve a balance of risk and return by investing in a blend of assets, with an emphasis on fixed interest, cash and shares (Australian and overseas).	50/50	Medium	3-5 years	Page 23
Capital Stable This option invests in a diversified mix of assets, with an emphasis on fixed interest and cash. It's designed to provide stability of capital over the medium term combined with the prospect for limited capital growth.	36/64	Low to medium	3+ years	Page 24

^ Based on the strategic asset allocation to growth and defensive assets for each investment option.
* The risk level is based on the Standard Risk Measure which is explained on page 15.

Asset class options

Investment option	Indicative growth and defensive asset mix^	Risk level*	Minimum investment time frame	More on this option
Overseas Shares This option invests in shares listed on organised stock exchanges around the world, including both developed and emerging markets.	100/0	High	7-10 years	Page 25
Australian Shares This option invests mainly in shares of companies listed on the Australian Securities Exchange.	100/0	High	7-10 years	Page 25
Property This option holds units in portfolios focused on core, high-quality properties — mainly CBD office buildings, large shopping centres and listed real estate investment trusts. Returns may come from both rental income and capital growth.	50/50	High	5+ years	Page 26
Fixed Interest This option invests in a diversified portfolio of debt securities, mainly fixed-rate bonds issued by Australian and overseas governments and companies, mortgage-backed securities and cash.	0/100	Low to medium	3+ years	Page 26
Cash This option invests predominantly in a mix of cash and short-term money market securities, directly or through an interposed entity including call and term deposits, negotiable certificates of deposit, and short-term fixed interest securities issued by Australian and overseas governments, banks and companies. This option may also include an allocation in short-dated annuities issued by life insurance companies.	0/100	Very low	1 year or less	Page 27

Changing your investments

You're not locked into your investment choice.

For more details on how to change your investments, go to page 9.

^ Based on the strategic asset allocation to growth and defensive assets for each investment option.
* The risk level is based on the Standard Risk Measure which is explained on page 15.

Understanding asset classes

An asset class is a group of investments that have similar features.

We broadly characterise CareSuper's asset holdings into the following asset classes:

- Australian and overseas shares
- Property
- Private equity
- Infrastructure
- Credit
- Alternatives
- Fixed interest (or bonds)
- Cash

Our Pre-mixed and Asset class investment options are invested in one or more asset classes.

Our Pre-mixed options invest in multiple asset classes with different proportions to smooth out market volatility. This strategy is called diversification. Diversifying your investment portfolio is important because different asset classes experience varying levels of long- and short-term volatility.

The asset classes used in an investment option also shape its risk and return profile.

You can find a comprehensive explanation of risk and return on page 14.

Shares

Investing in shares buys a part-ownership of a company listed on a stock exchange. Potential returns from shares can come from both the change in value of the shares and the payment of dividends.

Shares have historically delivered higher returns (compared to other asset classes) over the long term, but their value is more likely to fluctuate (both up and down) over shorter periods. Occasionally, their returns may even be negative.

Property

Property investments mainly include unlisted holdings in commercial buildings (offices or shopping centres), industrial properties, or residential properties. They may also include investments in listed real estate.

Property returns primarily come from rental income or changes in capital value over time.

Historically, property investments have produced moderate to high returns over the long term (relative to other asset classes). However, because property values can rise and fall over time, they're considered a medium to high level risk investment.

Private equity

Private equity mainly consists of equity holdings in companies that aren't publicly traded on a stock exchange. These unlisted companies can range from those in the early stages of development (venture capital) to more mature businesses seeking capital for restructuring, change of ownership, or expansion.

Infrastructure

Infrastructure investments include unlisted assets such as roads, utilities, airports, seaports and/or public buildings (schools and hospitals) both in Australia and overseas. They may also include some investments in listed entities.

These investments can have both defensive and growth characteristics. That's because these investments aim to achieve returns through income and potential capital gains when the assets are sold.

Credit

Investments in debt instruments that typically have a lower credit rating than investments within the fixed interest asset class.

The asset class has a significant proportion of investments that pay a floating interest rate. As interest rates rise, the investment income of floating rate investments will generally rise as well.

Examples of credit investments include high yield bonds, direct loans made to companies, securitised bank loans, mortgage-backed securities, structured credit and infrastructure debt.

Alternatives

'Alternatives' describes a range of different types of investments. We group these into two categories:

Absolute return

Absolute return strategies involve a mix of investment strategies which invest predominantly across fixed interest, credit and currency markets.

Managers aim to enhance returns through market and security selection rather than by taking interest rate risk. The aim is to achieve returns above the cash rate over the long term, but with less volatility than shares.

Thematic opportunities

This asset class is designed to include investment in strategies and assets that have a lower correlation to traditional shares and fixed interest. It's also likely to encompass investments expected to capitalise on emerging economic and investment trends.

The primary goal is to enhance long-term investment returns and strengthen the portfolio by providing diversification benefits to investment options exposed to this asset class.

Fixed interest

This type of investment can be a loan to a government or company where the interest rate is set in advance and the principal is generally paid back at maturity.

Fixed interest or bonds can be actively traded and have the potential for both positive and negative returns.

Historically, over the long term, fixed interest has produced a low to moderate level of investment return compared to other asset classes. It has a low to medium level of risk.

Cash

This is generally investments in a mix of cash and money-market securities, either directly or through an interposed entity.

This includes at-call and term deposits, bank bills, negotiable certificates of deposit and short-term fixed interest investments issued by Australian and overseas governments, banks and companies. The cash asset class may include an allocation in short-dated annuities issued by life insurance companies.

Cash and other investments in the cash asset class generally have the lowest volatility and long-term return relative to the other asset classes described in this document.

Investing and risk

All investments and investment options have a degree of risk and can change in value. The key is to understand what the different types of risk are and how they might affect you.

Inflation risk

Inflation risk means a loss of purchasing power. It refers to the risk that your investment returns may not grow enough to keep pace with inflation, meaning that your money will be worth less than when you started.

Liquidity risk

Liquidity risk refers to the inability to sell an asset quickly without losing value. Some investments, such as unlisted property, infrastructure and private equity, carry this type of risk.

Financial loss

This is the risk that an asset could lose value. This could happen in a number of ways:

- **Market risk** — the value of investments can rise and fall based on market sentiment or economic, technological, political or legal conditions
- **Interest rate risk** — can have a positive or negative impact on the investment returns of different asset classes. In particular, the price of fixed interest investments tends to fall when interest rates rise. This is because investors are less willing to buy existing securities as new securities are issued with higher interest rates
- **Currency risk** — when a fund invests in assets held in foreign countries, any change in the value of foreign currencies relative to the Australian dollar will increase or decrease the value of your investment
- **Security-specific risk** — this is something that happens to an individual company or asset that causes the value of the investment to fall sharply. This could include things like fraud or bankruptcy
- **Derivatives risk** — derivatives are used to reduce risk or gain exposure to other types of investments when appropriate. Our managers may invest in derivatives to effectively manage and protect your assets. Derivatives should not be used to gear investment options or to cause the overall exposure of any asset class to breach the specified long-term strategy ranges. Each investment manager has risk management processes in place regarding the use and purposes of derivatives
- **Agency risk** — where third party fund managers who manage investments on our behalf don't perform as expected
- **Credit risk** — where counterparties we deal with, such as issuers of bonds or banks, don't pay back money owed when due.

Assessing investment risks – the Standard Risk Measure

When choosing an investment option, it's important to understand the associated risks. This section explains how we assess investment risks using the industry's Standard Risk Measure (SRM) to help you make informed decisions.

The SRM is a tool designed to help investors compare the expected risk levels across various investment options. It evaluates the risk of anticipated negative annual returns over any 20-year period, based on the current strategic asset allocation at the time of assessment.

How the SRM is calculated

The SRM disclosed for each of our investment options is calculated using the strategic asset allocation for that investment option as of the date of this guide. It represents our assessment of the risk over a 20-year period.

However, over shorter periods, the risk associated with an investment option may differ from the SRM. This can happen during transitional periods when changes are being made to the underlying assets of an option or when market movements cause the day-to-day asset allocation to differ from the strategic asset allocation.

Limitations of the SRM

While the SRM is a valuable indicator, it doesn't provide a complete assessment of all investment risks.

It doesn't quantify the potential size of negative returns or the likelihood that positive returns will meet your financial goals. Additionally, the SRM does not include administration fees and costs, or tax impacts.

Therefore, it's important to consider these factors alongside the SRM when evaluating your investment options.

Risk bands and labels

The SRM is categorised into risk bands and labels based on the estimated number of negative annual returns over any 20-year period:

Risk label	Risk band	Estimated number of negative annual returns over any 20-year period
Very low	1	Less than 0.5
Low	2	0.5 to less than 1
Low to medium	3	1 to less than 2
Medium	4	2 to less than 3
Medium to high	5	3 to less than 4
High	6	4 to less than 6
Very high	7	6 or greater

You can find out which SRM applies to each of our investment options on pages 19 to 27.

You shouldn't rely exclusively on the SRM. However, you should ensure you're comfortable with the risks and potential losses associated with your chosen investment options.

Managing your risk

To successfully manage your risk, you can diversify or spread your investments across a range of different asset classes or investment types.

Our Pre-mixed options invest in a range of asset classes as well as a mix of managers. The level of diversification varies according to the investment objectives and strategies.

With our Asset class options you have the flexibility to create your own diversified portfolio by selecting the mix that suits you best. You can mix and match them with any of our Pre-mixed options.

The level of diversification will depend on what you choose. For example, if you select one Asset class option, your portfolio will not be diversified across different asset classes.

Hatch a plan with an expert

If you're unsure how our investment options can work to build a strategy that suits you, advice about our Pre-mixed and Asset class options is available as part of your membership.
Call **1800 005 166** or go to **caresuper.com.au/advice** to find out how to access advice.

How we manage your investments

When we invest for our Pre-mixed and Asset class investment options, we invest with one goal in mind: to help set you up for a better future.

How do we invest for that? We use an actively managed and long-term strategy, driven by a proven investment philosophy.

Plus, our team of experts is always looking for ways to boost your net returns.

Our investment philosophy

Our philosophy is to:

- actively manage investments
- take advantage when markets rise, while protecting members' capital in volatile times, and
- produce consistent returns that exceed inflation over the medium to long term.

Our investment philosophy guides the way we invest your money. It combines five key principles:

1. Our investment strategy transcends short-term trends

We don't get distracted by short-term market events. In fact, we're always looking to your future.

We're here to give you real growth over time, so you can enjoy years of income from your super.

2. We actively manage investments

We search for the best investment opportunities in Australia and overseas.

We add extra value by choosing specialised investments that we believe have potential to outperform the market.

Not every super fund can do this, but our size means we can secure prime investments, as well as niche opportunities.

All of this means we strive to add to your return and reduce risk. We put our historically strong returns down to our active management approach. Please note that past performance is not a reliable indicator of future performance.

3. We diversify your super

The best defence against unpredictable investment markets? Diversification.

We spread investments in the Pre-mixed options across a mix of asset classes, so your returns don't rely on a single asset class performing well all the time.

Our Asset class options provide access to a range of asset classes, giving you the flexibility to select multiple options to achieve the level of diversification you're after.

4. We protect your savings

There will be ups and downs in the performance of your super over time. What matters most is how we prepare for these changes.

We employ strategies that aim to minimise the impact of negative returns when the market falls. This approach is called 'downside protection.'

Protecting against downside risk means we're better prepared for market downturns, helping you feel more confident about recovering losses.

5. Responsible investing forms part of our investment approach

We believe that incorporating financially material environmental, social and governance (ESG) considerations into investment decision-making can help better manage risk and contribute to stronger investment returns in certain circumstances for our members. Furthermore, we believe that stewardship can assist with the careful and responsible management of our members' capital.

For more details on our responsible investment approach, see page 17.

Benchmarking and rebalancing

The investment strategy for each Pre-mixed option includes benchmark allocations to different asset classes. These allocations represent those we believe, based on historical analysis, will most likely achieve the investment objectives of each particular option. While the actual asset allocations of the Pre-mixed options may vary from these benchmarks, we intend that they will always remain within specified ranges.

We may change these benchmarks at any time without notice, ensuring they remain within the specified ranges.

As the value of assets in each option will vary depending on changes in the market, each portfolio may require rebalancing to ensure the allocation to each asset class remains appropriate. The asset allocation of each Pre-mixed option is reviewed daily and rebalanced when outside predetermined tolerance limits.

After rebalancing, asset allocation(s) will remain within the specified range(s) (see pages 19 to 27).

Managing foreign currency exposure

We have a policy of managing the level of foreign currency exposure for all investment options that have exposure to foreign currency denominated investments. The level of foreign currency exposure is managed by hedging some of this exposure, if necessary.

Each option's exposure to foreign currency movements is managed to a predetermined benchmark.

We reserve the right to make changes to currency exposures if this is considered in the best interests of members due to economic or market conditions.

Setting the objectives for our investment options

We determine our investment option objectives based on a range of information, including long-term historical and expected future returns of different asset classes, advice from our independent asset consultant and financial modelling from a variety of Australian and international sources.

Investment strategies, including determining the proportions of each asset class in the Pre-mixed options and the underlying strategies within each asset class, are developed to maximise the likelihood of achieving the outlined objectives of the investment options. These strategies are updated from time to time to reflect changing market conditions.

An investment objective isn't a return forecast and doesn't predict your returns over a specific period of time. Instead, it gives a broad indication of the level of return an option targets in the long term or over full market cycles. Past performance is not a reliable indicator of future performance, and you should consider other factors before choosing a fund and/or changing your investments within a fund.

Changes to investment options

We reserve the right to make changes to the investment strategy of our investment options without your consent, and we may not notify you before these changes are made. Visit **caresuper.com.au** for up-to-date information.

If we make any significant changes (for example, close, add or remove an investment option) we'll provide you with at least 30 days' notice beforehand.

Responsible investing

Responsible investing is an approach which considers financially material ESG factors in investment decision-making, and involves stewardship of assets through company engagement, voting and policy advocacy.

Responsible investing forms part of our investment approach. We take ESG factors that we may become aware of, including labour standards and ethical considerations, into account in the selection, retention or realisation of our investments for all of our investment options, to the extent it impacts the financial value of an investment.

We believe that incorporating financially material ESG considerations into investment decision-making can help better manage risk and contribute to stronger investment returns in certain circumstances for our members. We also believe that stewardship can assist with the careful and responsible management of our members' capital.

However, that doesn't mean we consider all ESG factors for each of our investments or that all our investments are free of ESG-related risks. We seek to address material ESG factors associated with our investments and based on our responsible investing approach.

Our responsible investing approach is subject to change. We may provide updated information about our responsible investing approach, including relevant ESG considerations, on our website.

Learn more about our approach to responsible investing, including viewing our *Responsible investing policy*, at **caresuper.com.au/responsible-investing**

Our approach to responsible investing

Our approach to responsible investing involves two key elements: integration and stewardship. It includes the activities and practices summarised below.

ESG integration

ESG integration refers to the consideration of financially material ESG factors (comprising both ESG risks and ESG opportunities) in investment analysis and decision-making.

Our ESG integration approach includes:

- integration by our external investment managers into their decision-making processes of considerations they view as material and relevant to their investment strategy
- assessing ESG factors as part of our investment and manager selection, monitoring and engagement processes
- oversight by our internal investment team at the overarching investment portfolio level, including assessing ESG factors within and across asset classes where possible
- excluding listed securities and/or instructing external investment managers to exclude or divest holdings from our Australian and overseas shares asset classes that we believe have intolerable ESG risks

Which ESG matters are considered and how we or our external investment managers consider them varies depending on the nature of the investment, the asset class, the financial materiality of the ESG risks and opportunities relevant to the investment case and other matters.

For example, labour standards are considered on a case-by-case basis where the relevant labour rights are deemed material to the investment case.

Some examples of ESG factors that may be considered on a case-by-case basis include, but aren't limited to, climate change, human rights, board accountability and executive remuneration. More examples are provided on our website.

Stewardship

Our stewardship approach involves company engagement, voting (on listed company resolutions where we're entitled to vote, for our Australian and overseas shares asset classes), and policy advocacy designed to support responsible investment practices and assist with the careful and responsible management of our members' capital.

We undertake some of our stewardship activities in collaboration with relevant organisations. Much of our stewardship work focuses on the Australian and overseas shares asset classes (relevant to all investment options with allocations to these asset classes). However, stewardship is also relevant to other asset classes, including some unlisted asset classes like infrastructure and property.

Our Sustainable Balanced option

While responsible investing forms part of our investment approach for all of our Pre-mixed and Asset class investment options, we also offer a Sustainable Balanced option.

The Sustainable Balanced option invests in a diversified mix of assets. The external investment managers within the Australian and overseas shares asset classes for this option aim to exclude direct investments in certain listed companies (through negative screening), and also consider positive environmental and social themes when selecting certain investments.

The Sustainable Balanced option's main point of difference (compared with our other pre-mixed options) is that its Australian and overseas shares asset classes have a more explicit focus on environmental and social matters.

This is targeted through:

- Applying negative screening criteria (to aim to exclude direct investments in certain listed companies, where their involvement in, or revenue from, certain business activities meets specific thresholds for exclusion).
  - For clarity, CareSuper's negative screening process is not applied to investments in pooled funds or derivatives within the Australian and overseas shares asset classes, or to investments in other asset classes.
  - A full explanation of the negative screening process, including a summary of the negative screening criteria, that applies to the Sustainable Balanced option's Australian and overseas shares asset classes, is available on our website. Please read this information, including the important explanatory notes, to aid your understanding of our negative screening criteria and how they are applied.
- Our external investment managers considering positive environmental and social themes when selecting certain investments, using their own processes and objectives. Examples of methods external investment managers may use in this regard are listed below. An explanation of each of these methods is available on our website.
  - Identification of qualitative positive environmental and social themes
  - Positive screening using ESG scores
  - Measuring contribution to Sustainable Development Goals (SDGs)

For information on the Sustainable Balanced option's investment profile including asset class mix, return objectives and risk level, see page 22.

Choosing the right investment option for you

It's important to make sure the Sustainable Balanced option is right for you before investing in this option.

You should first read all the relevant information about the Sustainable Balanced option contained in this guide and on our website at **caresuper.com.au/our-sustainable-balanced-option**, including information about the option's costs, risks and potential returns.

Pre-mixed investment options

Our Pre-mixed options are ready-made, diversified portfolios set up by our investment experts.

Each option has a different asset class mix and return objectives.

Balanced

Overview	The Balanced option invests in a diversified mix of assets with an emphasis on Australian and overseas shares, property and infrastructure. It's designed to achieve relatively high returns in the medium to long term but is subject to short-term fluctuations in returns.
Why you'd invest	Invest in this option if you're seeking returns above the rate of inflation over the long term.
Return objective	To achieve returns after fees that exceed the inflation rate (as measured by the consumer price index (CPI)) by at least 3% per year, over rolling 10-year periods.

Asset class mix

Asset class	Benchmark %	Range %
Australian shares	27	10-40
Overseas shares	20	10-40
Private equity	5	0-20
Property	10	0-25
Infrastructure	11	0-25
Credit	9	0-20
Alternatives	3	0-20
• Absolute return	3	
• Thematic opportunities	0	
Fixed interest	8	0-30
Cash	7	0-30

Minimum investment time frame	5+ years
Likelihood of a negative annual return*	3.4 in every 20 years

Risk level*

1	2	3	4	5	6	7
Very low	Low	Low to medium	Medium	**Medium to high**	High	Very high

* The likelihood of a negative annual return and the risk level is based on the Standard Risk Measure explained on page 15.

Growth

Overview	The Growth option mainly invests in growth assets with an emphasis on Australian and overseas shares. It's designed to achieve long-term capital growth. Returns for this option may display a significant level of volatility with a relatively high risk of capital loss over the short or medium term.
Why you'd invest	Invest in this option if you have an investment timeframe of at least 7 years, or if your financial situation allows a higher level of risk.
Return objective	To achieve returns after fees that exceed the inflation rate (as measured by the CPI) by at least 4% per year (over rolling 10-year periods).

Asset class mix

Asset class	Benchmark %	Range %
Australian shares	36	15-50
Overseas shares	26	15-50
Private equity	5	0-20
Property	7	0-25
Infrastructure	10	0-25
Credit	9	0-20
Alternatives	3	0-20
• Absolute return	3	
• Thematic opportunities	0	
Fixed interest	0	0-10
Cash	4	0-20

Minimum investment time frame	7-10 years
Likelihood of a negative annual return*	4.1 in every 20 years

Risk level*

1	2	3	4	5	6	7
Very low	Low	Low to medium	Medium	Medium to high	**High**	Very high

* The likelihood of a negative annual return and the risk level is based on the Standard Risk Measure explained on page 15.

Alternative Growth

Overview	The Alternative Growth option invests in a diversified mix of assets with an emphasis on infrastructure and credit as well as Australian and overseas shares. It's designed to achieve long-term capital growth.
Why you'd invest	Invest in this option if you have an investment time frame of at least 5 years and your financial situation allows for a higher level of risk. This option has a similar return objective to the Balanced option, but seeks to deliver that return through a greater allocation to infrastructure, credit and alternatives and a lower allocation to shares and fixed interest.
Return objective	To achieve returns after fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year (over rolling 10-year periods). This option aims to produce less volatile returns than the Balanced option through a differentiated asset class mix.

Asset class mix

Asset class	Benchmark %	Range %
Australian shares	25	10-40
Overseas shares	17	10-40
Private equity	2	0-20
Property	10	0-25
Infrastructure	18	0-30
Credit	14	0-30
Alternatives	7	0-40
• Absolute return	7	
• Thematic opportunities	0	
Fixed interest	2	0-20
Cash	5	0-20

Minimum investment time frame	5+ years
Likelihood of a negative annual return*	3.1 in every 20 years

Risk level*

1	2	3	4	5	6	7
Very low	Low	Low to medium	Medium	**Medium to high**	High	Very high

* The likelihood of a negative annual return and the risk level is based on the Standard Risk Measure explained on page 15.

Sustainable Balanced

Overview	The Sustainable Balanced option invests in a diversified mix of assets. The external investment managers within the Australian and overseas shares asset classes for this option aim to exclude direct investments in certain listed companies (through negative screening), and also consider positive environmental and social themes when selecting certain investments.
Why you'd invest	Invest in this option if you are seeking returns above the rate of inflation over the long term and would like to exclude direct investments in certain listed companies (through negative screening) from the Australian and overseas shares asset classes, and also consider positive environmental and social themes when selecting certain investments within the Australian and overseas shares asset classes.
Return objective	To achieve returns after fees that exceed the inflation rate (as measured by the CPI) by at least 3% per year (over rolling 10-year periods).

Asset class mix

Asset class	Benchmark %	Range %
Australian shares	27	10-40
Overseas shares	20	10-40
Private equity	5	0-20
Property	10	0-25
Infrastructure	11	0-25
Credit	9	0-20
Alternatives	3	0-20
• Absolute return	3	
• Thematic opportunities	0	
Fixed interest	8	0-30
Cash	7	0-30

Minimum investment time frame	5+ years
Likelihood of a negative annual return*	3.4 in every 20 years

Risk level*

1	2	3	4	5	6	7
Very low	Low	Low to medium	Medium	**Medium to high**	High	Very high

Find out if this option is right for you

For details of the Sustainable Balanced option's investment selection process, see page 18.
Additional information is available on our website at **caresuper.com.au/our-sustainable-balanced-option**.

* The likelihood of a negative annual return and the risk level is based on the Standard Risk Measure explained on page 15.

Conservative Balanced

Overview	The Conservative Balanced option is designed to achieve a balance of risk and return by investing in a blend of assets, with an emphasis on fixed interest, cash and shares (Australian and overseas).
Why you'd invest	Invest in this option if you are seeking returns above the rate of inflation over the long term but with less volatility than might be experienced by the Balanced option.
Return objective	To achieve returns after fees that exceed the inflation rate (as measured by the CPI) by at least 2% per year (over rolling 10-year periods).

Asset class mix

Asset class	Benchmark %	Range %
Australian shares	19	5-30
Overseas shares	15	5-30
Private equity	2	0-10
Property	6	0-15
Infrastructure	7	0-20
Credit	10	0-25
Alternatives	8	0-30
• Absolute return	8	
• Thematic opportunities	0	
Fixed interest	14	0-50
Cash	19	0-50

Minimum investment time frame	3-5 years
Likelihood of a negative annual return*	2.5 in every 20 years

Risk level*

1	2	3	4	5	6	7
Very low	Low	Low to medium	**Medium**	Medium to high	High	Very high

* The likelihood of a negative annual return and the risk level is based on the Standard Risk Measure explained on page 15.

Capital Stable

Overview	The Capital Stable option invests in a diversified mix of assets, with an emphasis on fixed interest and cash. It's designed to provide stability of capital over the medium term combined with the prospect for limited capital growth.
Why you'd invest	Invest in this option if you're seeking long-term capital security and to earn a rate of return above that of bank bills or from a cash management trust.
Return objective	To achieve returns after fees that exceed the inflation rate (as measured by the CPI) by at least 1% per year (over rolling 10-year periods).

Asset class mix

Asset class	Benchmark %	Range %
Australian shares	13	0-25
Overseas shares	10	0-25
Private equity	1	0-10
Property	6	0-15
Infrastructure	7	0-20
Credit	7	0-15
Alternatives	9	0-30
• Absolute return	9	
• Thematic opportunities	0	
Fixed interest	21	0-50
Cash	26	0-60

Minimum investment time frame	3+ years
Likelihood of a negative annual return*	1.5 in every 20 years

Risk level*

1	2	3	4	5	6	7
Very low	Low	**Low to medium**	Medium	Medium to high	High	Very high

* The likelihood of a negative annual return and the risk level is based on the Standard Risk Measure explained on page 15.

Asset class investment options

Our Asset class options provide exposure to a specific sector (and sometimes a small allocation to cash).

These are our single sector options that let you build your own diverse portfolio. You can choose to invest in a mix of these options or combine them with Pre-mixed options.

Overseas Shares

Overview	The Overseas Shares option invests in shares listed on organised stock exchanges around the world, including both developed and emerging markets. To provide diversification, a number of different investment managers with different approaches are appointed.
Why you'd invest	Invest in this option if you have an investment time frame of at least 7 years. It's for those wanting to achieve potentially higher long-term returns from a portfolio of global shares, who are willing to accept higher levels of volatility in returns and the possibility of negative returns over the short term.
Return objective	To outperform the return of the overseas share market (as measured by the MSCI All Country World ex-Australia Index in AUD).^
Asset class mix	100% overseas shares For liquidity purposes, this option may hold up to 10% cash.
Minimum investment time frame	7-10 years
Likelihood of a negative annual return*	5.5 in every 20 years
Risk level*	1 Very low; 2 Low; 3 Low to medium; 4 Medium; 5 Medium to high; **6 High**; 7 Very high

Australian Shares

Overview	The Australian Shares option invests mainly in shares of Australian companies listed on the Australian Securities Exchange (ASX). To provide diversification, a number of different investment managers with varying approaches are appointed.
Why you'd invest	Invest in this option if you have an investment time frame of at least 7 years. It's for those wanting to achieve potentially higher long-term returns from a portfolio of Australian shares, who are willing to accept a higher level of volatility in returns and the possibility of negative returns over the short term.
Return objective	To outperform the return of the Australian share market (as measured by the S&P/ASX 300 Accumulation Index).
Asset class mix	100% Australian shares For liquidity purposes, this option may hold up to 10% cash.
Minimum investment time frame	7-10 years
Likelihood of a negative annual return*	5.8 in every 20 years
Risk level*	1 Very low; 2 Low; 3 Low to medium; 4 Medium; 5 Medium to high; **6 High**; 7 Very high

* The likelihood of a negative annual return and the risk level is based on the Standard Risk Measure explained on page 15.
^ The benchmark used is a composite of the hedged and unhedged MSCI All Country World ex-Australia indices.

Property

Overview	This option holds units in portfolios focused on core, high-quality properties – mainly CBD office buildings, large shopping centres and listed real estate investment trusts. Returns may come from both rental income and capital growth.
Why you'd invest	Invest in this option if you have an investment timeframe of at least 5 years. It's for those keen to generate returns by investing in property and are comfortable with a higher level of risk.
Return objective	To outperform returns from a mix of unlisted and listed property markets (as measured by MSCI/Mercer and FTSE indices).
Minimum investment time frame	5+ years
Likelihood of a negative annual return*	4.1 in every 20 years

Asset class mix

Asset class	Benchmark %	Range %
Unlisted property	75	50-100
Listed property	25	0-50

For liquidity purposes, this option may hold up to 10% cash.

Risk level*

1	2	3	4	5	6	7
Very low	Low	Low to medium	Medium	Medium to high	**High**	Very high

Fixed Interest

Overview	The Fixed Interest option invests in a diversified portfolio of debt securities, mainly fixed-rate bonds issued by Australian and overseas governments and companies, mortgage-backed securities and cash.
Why you'd invest	Invest in this option if you seek to maintain long-term capital security, while earning a rate of return above that of bank bills or from a cash management trust.
Return objective	To outperform returns from a mix of the Australian and overseas bond markets (as measured by a benchmark consisting of the Bloomberg AusBond Composite Bond Index and the Bloomberg Global Aggregate Total Return Index [hedged]) and cash.
Minimum investment time frame	3+ years
Likelihood of a negative annual return*	1.7 in every 20 years

Asset class mix

Asset class	Benchmark %	Range %
Fixed interest	95	50-100
Cash	5	0-50

This option may hold some short-dated annuities.

Risk level*

1	2	3	4	5	6	7
Very low	Low	**Low to medium**	Medium	Medium to high	High	Very high

* The likelihood of a negative annual return and the risk level is based on the Standard Risk Measure explained on page 15.

Cash

Overview	The Cash option invests in a mix of cash and money-market securities, directly or through an interposed entity including at call and term deposits, bank bills, negotiable certificates of deposit and short-term fixed interest investments issued by Australian and overseas governments, banks and companies. This option may include an allocation in short-dated annuities issued by life insurance companies.
Why you'd invest	Invest in this option if you seek to maintain the capital value of your investment over any time period while earning a rate of return similar to that of bank bills or from a cash management trust.
Return objective	To outperform the return of the Australian cash market (as measured by the Bloomberg AusBond Bank Bill Index).
Asset class mix	100% cash or short-term money market instruments Note this option may hold some short-dated annuities.
Minimum investment time frame	1 year or less
Likelihood of a negative annual return*	Nil in every 20 years
Risk level*	1 **Very low** · 2 Low · 3 Low to medium · 4 Medium · 5 Medium to high · 6 High · 7 Very high

Other important investment things you should know

Understanding unit prices

We use unit pricing to calculate your account balances and to allocate investment returns in our Pre-mixed and Asset class options.

Unit pricing is generally considered to be best practice in the financial services industry when it comes to calculating your account balance.

How unit pricing works

When you invest in one of our Pre-mixed or Asset class investment options, your money is placed in a pool of assets, along with every other member who invests in that option.

The investment pool for each option available to members is broken up into units. Every unit you own in that pool represents your share of the investment option and has a value. This value is the unit price.

The unit price is calculated by dividing the total value of the assets and liabilities in the option by the number of units on issue.

$$\text{Unit price} = \frac{\text{net market value of an investment option*}}{\text{total number of units in that option}}$$

* Net of applicable fees, indirect costs and investment taxes.

Like shares, unit prices move up and down each day in line with the earnings for each investment option.

- When investment returns are positive, unit prices go up.
- When investment returns are negative, unit prices go down.

Each time you move money into or out of the Pre-mixed and Asset class options, the transaction involves buying and selling units.

Any money that you put into an investment option 'buys' units, and any money that you take out of an investment option 'sells' units.

You buy units when you:

- open your account
- invest or transfer money into an investment option

You sell units when you:

- receive income payments
- withdraw or rollover money out of your account
- pay fees and costs that are deducted directly from your account
- withdraw or transfer money out of an investment option.

How your account balance is calculated

Your account balance is determined as the number of units you hold in each investment option multiplied by the current unit price of that option.

You can view your account balance anytime in **Member Online**.

Other fees, costs and taxes apply and will affect your account balance. If you withdraw your account balance, the amount you receive may be different as fees and taxes may be deducted at the time of withdrawal.

Setting unit prices

New unit prices for each investment option are calculated each business day and are generally published on our website within two business days. Business days are limited to weekdays that are not a national public holiday, including the King's Birthday (in all

* The likelihood of a negative annual return and the risk level is based on the Standard Risk Measure explained on page 15.

states except QLD & WA), or when the Australian Stock Exchange (ASX) is closed.

For the latest unit prices, go to **caresuper.com.au/unit-prices**.

We reserve the right to calculate or publish unit prices less frequently or to temporarily suspend unit prices at any time if there is extreme market volatility or if circumstances outside of our control occur and we can't calculate a unit price. If we suspend a unit price for any or all of our options, we may stop processing transactions until a unit price is available. If we do need to suspend unit prices, we may let you know via our website.

How unit prices apply to transactions

When we receive a change of investment option request between our Pre-mixed and Asset class options for your account, the applicable unit price for the day we received the request will be applied, provided the request was received by 4pm AEDT/AEST. If the request is received after 4pm AEDT/AEST, then the applicable unit price will be the next business day.

Switch requests received on weekends or national public holidays will be regarded as being received on the next business day, and the unit price for that business day will apply. For example, if we receive a switch request on Saturday, the unit price effective Monday (if it is a business day) will apply.

For transfers in from another fund or withdrawals, (for example lump sum payments and rollovers to another fund), we generally use the unit price calculated for the day on which your request is received.

If we don't have enough information from you to proceed with a transaction, a later unit price may be used.

Where a transaction involves money going out of your account, the money will remain invested in the investment option(s) applicable to your account until the payment is processed.

Correction of unit prices

In the event of a material error in the calculation of a unit price we will make every effort to correct the financial position of the affected member(s).

Whether an error is material mainly depends on how large the error is, but other factors may also be considered.

Where errors are made by an external provider of ours, we will seek compensation from the provider.

What happens to your investments when you pass away?

Please note that if you pass away, we'll switch your account balance to the Cash investment option, effective from the date that we're notified of your death. This is done to protect your money against potential negative returns while we're assessing how to pay your benefit.

If you've nominated a reversionary beneficiary we won't switch your account to the Cash investment option. Your balance will remain in the investment option(s) applicable to your account when you passed away.

For more details, see our *Making a death claim* fact sheet available at **caresuper.com.au/forms-publications**.

Reserve accounts

We maintain reserves designed to provide for known and potential commitments and contingencies.

We maintain two reserve accounts in the fund:

- General Reserve, and
- Operational Risk Reserve.

These reserves are invested in a strategy appropriate to their time frame and risk profile which the CareSuper Board reviews annually.

The General Reserve is invested as a combination of asset class exposures in line with the Balanced option as well as interest bearing cash balances to maintain liquidity.

The Operational Risk Reserve is invested in an investment exposure consistent with the aggregate asset allocation of CareSuper's investments.

Fees and costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance, rather than 1%, could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees.* Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website (**www.moneysmart.gov.au**) has a superannuation calculator to help you check out different fee options.

*This statement is required by law. CareSuper fees aren't negotiable.

This guide shows fees and other costs you may be charged. These fees and other costs may be deducted from your account, from the returns on your investment or from the assets of CareSuper as a whole.

Other fees, such as activity fees, personal advice fees may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees can't be charged.

Taxes and other costs relating to super are set out in another part of this guide.

You should read all the information about fees and costs because it's important to understand their impact on your investment.

Fees and costs summary

CareSuper's Term Allocated Pension account		
Type of fee or cost	**Amount**	**How and when paid**
Ongoing annual fees and costs[1]		
Administration fees and costs[2]	$67.60 each year **plus** 0.10% of your account balance each year (the percentage fee is capped at $750 each year).	Calculated daily and deducted at the end of each month from your account, or when your account is closed.
	plus an estimated 0.11% of net assets each year[3]	This isn't deducted from your account. If required, this additional amount is deducted from fund assets held in general reserves, to meet administration expenses that exceed the administration fees and costs deducted from member accounts each year.
Investment fees and costs[2, 4]	**% of assets each year[3]** Balanced – 0.45% Growth – 0.56% Alternative Growth[5] – 0.58% Sustainable Balanced – 0.35% Conservative Balanced – 0.40% Capital Stable – 0.37% Overseas Shares – 0.40% Australian Shares – 0.45% Property[5] – 0.48% Fixed Interest – 0.19% Cash – 0.08%	Deducted from investment returns before they're allocated to your account through the daily determination of unit prices.
Transaction costs[2]	**% of assets each year[3]** Balanced – 0.07% Growth – 0.08% Alternative Growth[5] – 0.06% Sustainable Balanced – 0.09% Conservative Balanced – 0.06% Capital Stable – 0.05% Overseas Shares – 0.05% Australian Shares – 0.08% Property[5] – 0.10% Fixed Interest – 0.02% Cash – 0%	Deducted from investment returns before they're allocated to your account through the daily determination of unit prices.
Member activity related fees and costs		
Buy-sell spread	0%	Not applicable
Switching fee	$0	Not applicable
Other fees and costs[2]	Other fees and costs, such as activity fees and personal advice fees may be charged, but these will depend on the nature of the activity or advice.	Activity fees are deducted from your account, when applicable. Personal advice fees are deducted from your account when you consent to the deduction and other conditions are met.

1 If your account balance for a product offered by CareSuper is less than $6,000 at 30 June each year, certain fees and costs charged to you in relation to administration and investments are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded. The fee cap also applies when you close your account. If you hold more than one account with us, we'll assess these separately.

2 Refer to *Additional explanation of fees and costs* on page 32 for more information.

3 Based on the fees and costs for the financial year ending 30 June 2024, with the exception of the Alternative Growth and Property options. The percentage will vary from year to year.

4 Investment fees and costs include an estimated amount of 0.00% - 0.17% for performance fees, depending on the investment option. The calculation basis for these amounts of performance fees is set out under the *Additional explanation of fees and costs* on page 32.

5 Alternative Growth and Property options are new options as at 1 November 2024. The investment fees and costs and transaction costs are our reasonable estimate of the investment fees and transaction costs for the financial year ending 30 June 2025, based on information available to us at the date of preparation of this guide. The percentage will vary from year to year.

Example of annual fees and costs

This table gives an example how the ongoing fees and costs for the Balanced option for this product can affect your investment over a one-year period. You should use this example to compare this product with other retirement products.

Example – Balanced investment option		Balance of $50,000
Administration fees and costs	$67.60 plus 0.10% of your account balance plus 0.11% deducted from reserves.	For every $50,000 you have in the pension product, you'll be charged, or have deducted from your investment **$105.00*** in administration fees and costs, plus **$67.60**, regardless of your balance.
PLUS investment fees and costs	0.45%	**And**, you'll be charged or have deducted from your investment **$225.00** in investment fees and costs.
PLUS transaction costs	0.07%	**And**, you'll be charged or have deducted from your investment **$35.00** in transaction costs.
EQUALS cost of product	**$432.60**	If your balance was $50,000 at the beginning of the year, then for that year you'll be charged fees and costs of **$432.60***^ for the pension product.

* This amount includes an estimated $55.00 deducted from reserves (not from your account).
^ Additional fees may apply.

Cost of product for one year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your Term Allocated Pension investment over a one-year period for all products and investment options in CareSuper. It's calculated in the manner shown in the *Example of annual fees and costs* above.

The cost of product information assumes a balance of $50,000 at the beginning of the year. Additional fees such as buy-sell spread may apply.

Read the *Fees and costs summary* on page 30 for the relevant investment option. You should use this figure to help compare super products and investment options.

Investment option	Cost of product*
Balanced	$432.60
Growth	$492.60
Alternative Growth	$492.60
Sustainable Balanced	$392.60
Conservative Balanced	$402.60
Capital Stable	$382.60
Overseas Shares	$397.60
Australian Shares	$437.60
Property	$462.60
Fixed Interest	$277.60
Cash	$212.60

CareSuper and Spirit Super merged on 1 November 2024. Due to the combining of fund assets as part of the merger, and associated changes to investment options, the actual fees and costs from 1 November 2024 are likely to be different to the amounts disclosed in this PDS. Read *Estimated fees and costs following CareSuper and Spirit Super merger* on page 32 for more details.

* Additional fees and costs such as insurance fees may apply. This amount includes an estimated $55.00 deducted from reserves (not from your account). See the *Additional explanation of fees and costs* on page 32 for more information.

Estimated fees and costs following CareSuper and Spirit Super merger

The former CARE Super and Spirit Super merged on 1 November 2024 to become CareSuper.

Regulations require certain costs disclosed in the PDS to be calculated based on actual costs incurred in the previous financial year. Therefore, the costs disclosed in this guide reflect Spirit Super's costs for the financial year ending on 30 June 2024, with the exception of Alternative Growth and Property which are new investment options for the merged fund and reflect our reasonable estimate of the investment fees and costs and transaction costs for the financial year ending 30 June 2025.

Due to the combining of the former CARE Super and Spirit Super's assets as part of the merger, the actual fees and costs from 1 November 2024 are likely to be different to the amounts required to be disclosed in this guide.

We have provided some estimated fee and cost information in the following table to provide you with an indication of the investment fees and costs, performance fees and transaction costs which we think are more representative of the amounts that will be incurred from 1 November 2024.

The following estimated costs have been calculated based on historic information on fees and costs from the financial year ending 30 June 2024 for the underlying investments of former CARE Super and Spirit Super, as well as strategic asset allocations which will apply from 1 November 2024.

Investment option	Estimated investment fees and costs	Estimated performance fees (included in the 'Estimated investment fees and costs')	Estimated transaction costs
Balanced	0.57%	0.13%	0.06%
Growth	0.58%	0.14%	0.07%
Alternative Growth	0.58%	0.12%	0.06%
Sustainable Balanced	0.57%	0.11%	0.06%
Conservative Balanced	0.46%	0.09%	0.05%
Capital Stable	0.40%	0.06%	0.04%
Overseas Shares	0.36%	0.02%	0.05%
Australian Shares	0.34%	0.06%	0.10%
Property	0.48%	0.03%	0.10%
Fixed Interest	0.21%	0.00%	0.01%
Cash	0.04%	0.00%	0.00%

Additional explanation of fees and costs

How fees and costs are charged

Fees and costs deducted directly from your account are shown on the transaction listing in your member statement, or you can check your transactions in **Member Online**.

If applicable, any administration fees and costs deducted from reserves are shown in the *Fees and costs summary* of your member statement, or if you leave the fund, your final statement.

Administration fees and costs

We charge administration fees and costs of $67.60 plus 0.10% of your account balance each year, which are deducted directly from your account.

The percentage fee deducted from your account is capped at $750 each year.

Administration fees are paid into our general reserve, and we pay administration costs (including a trustee fee) from that reserve.

In some years the amount deducted from the general reserve may exceed the amount paid into this reserve. For the 12 months to 30 June 2024, this excess amount was determined to be 0.11% of the net assets of Spirit Super and was deducted from the general reserve rather than member accounts. This amount changes from year to year.

Our administration fees and costs cover the day-to-day management of member accounts and operation of the fund. This includes items such as compliance costs, licence fees, office rent, audits, providing member statements, and processing transactions. It also includes remuneration paid from the fund's assets to the trustee.

The cost of providing access to general information, education and personal (intra-fund) advice on your CareSuper account is included in the administration fees and costs. For further details, see *Advice fees* on page 34.

Investment fees and costs

Investment fees and costs include expenses that relate to the investment of the assets of CareSuper. They include base and performance fees paid to investment managers, management fees and other costs charged in investment vehicles, asset consulting fees, bank fees and internal costs related to the management of CareSuper's assets.

Investment fees and costs (other than performance fees) are generally calculated using information from the prior financial years, including information on asset allocation and underlying investments. The actual amount of investment fees and costs will vary from year to year.

An exception is for the Alternative Growth and Property options which are new options as at 1 November 2024. The investment fees and costs for the Alternative Growth and Property options are based on our reasonable estimate of the investment fees and costs for these options for the financial year ending 30 June 2025, based on information available to us at the date of preparation of this guide.

Your annual member statement will provide an indication of how much you paid each year. Please note that these amounts are paid from the assets of each investment option before we calculate unit prices, and are not deducted directly from your account.

The benefits of any expenses included within the investment fees that are tax deductible are indirectly passed on to members through the net investment earnings allocated to member accounts.

Refer to the *Fees and costs summary* on page 30 for investment fees. Performance fees are explained in more detail in the following section.

Performance fees

Some investment managers' fees are partially linked to performance. This means fees may be paid from assets of the fund if they perform above an agreed level. Generally, they are calculated as a percentage of the returns generated.

Performance fees are not deducted from your account. They are deducted from investment returns received, or from assets of underlying investments and reflected in the daily unit prices.

Investment option	Average performance fee (% pa)
Balanced	0.09%
Growth	0.11%
Alternative Growth	0.11%
Sustainable Balanced	0.04%
Conservative Balanced	0.05%
Capital Stable	0.07%
Overseas Shares	0.04%
Australian Shares	0.17%
Property	0.03%
Fixed Interest	0.00%
Cash	0.00%

In broad terms:

- performance fees shown in the previous table are calculated based on the average of the actual performance fees incurred by the fund over the last five financial years ending 30 June 2024 (other than for Alternative Growth and Property investment options – see below)
- any clawback (i.e. a refund or reduction of a performance fee due to poor performance) is factored in
- the resulting averages are totalled to give the performance fee for the investment option and
- the total is then added to the investment fees and costs as outlined in the *Fees and costs summary*.

The Alternative Growth and Property investment options are new options as at 1 November 2024. The performance fees for these options are our reasonable estimate of the performance fees for the financial year ending 30 June 2025, based on information available to us at the date of preparation of this guide.

Where the investment option did not have a performance-fee charging mechanism in place for each year, the average is calculated by reference to the number of financial years in which a performance-fee charging mechanism was in place.

The amount of performance fees paid each year will rise and fall depending on the level of performance the relevant managers generate and the number of investments subject to performance fee arrangements.

The actual amount of performance fees that you will incur in the current and subsequent financial years depends on the investment option you are invested in, and the amount of performance fees accrued in relation to that investment option from year to year.

Transaction costs

Each investment option incurs transaction costs (directly or indirectly). These typically include items such as:

- brokerage
- buy-sell spreads charged by underlying fund managers
- settlement and clearing costs and
- selling costs or stamp duty on asset transactions, including the sale or purchase of property, infrastructure investments and/or private equity investments.

The transaction costs shown for each investment option in the *Fees and costs summary* are an additional cost to investors. These costs are recovered by the trustee by being taken into account in the determination of daily unit prices.

Transaction costs are generally calculated using information from the prior financial years, including information on asset allocation and underlying investments. The Alternative Growth and Property options are new options as at 1 November 2024. The transaction costs for the Alternative Growth and Property options are our reasonable estimate of the transaction costs for these options for the financial year ending 30 June 2025, based on information available to us at the date of preparation of this guide.

Transaction costs can vary from year to year, particularly with the sale or purchase of large property, infrastructure and/or private equity investments, or with the transition of assets between asset managers. Past transaction costs aren't a reliable indicator of future transaction costs.

Activity fees

Advice fees

We're here to help you make the most of your super. You can access general information, education, and personal advice about your CareSuper account at no extra cost.

If you need advice on your entire financial situation or have more complex needs, we can assist with that too. There might be an additional cost, but we'll explain any fees upfront, and you'll only pay for the services you agree to.

For more details, visit **caresuper.com.au/advice**.

Additional fees may be paid to a financial adviser if a financial adviser is consulted.

If you receive personal financial advice from a registered financial adviser, you may be charged a fee (which may be negotiable with your chosen adviser). This may be paid from your CareSuper account if you consent and the advice relates to your CareSuper account. Any fees would be outlined in a *Statement of advice*. Other conditions apply. For more details read our *Paying advice fees from your CareSuper account* fact sheet at **caresuper.com.au/forms-publications**.

Trustee fee

Under the Trust Deed the trustee can charge a trustee fee of up to 0.095% of the value of CareSuper's net assets at the end of the previous financial year, for its role in acting as trustee.

For the financial year from 1 July 2024, any trustee fee will be taken from the fund's general reserve and there'll be no additional fee charged directly to your account or through unit prices because of the trustee fee. This fee is taken into account in the administration fees and costs shown in the *Fees and costs summary*.

The trustee fees that we receive will be held in a trustee capital reserve which can only be used to pay penalties (including penalties that can't be paid out of CareSuper's assets) and other trustee costs, such as director fees and insurance.

The trustee fee is capped. When the trustee's capital reserve reaches 0.20% of the value of net assets of the fund, or another maximum amount set by law or a regulator, the trustee fee will no longer be charged. This allows the trustee to accumulate sufficient funds outside the fund to protect against financial risks, while ensuring members are protected by limiting the trustee's access to CareSuper's assets.

The annual trustee fee limit and the trustee capital cap will be reviewed every three years to ensure these amounts remain fair and reasonable.

If we change the way the trustee fee is charged in the future, we'll let you know beforehand.

Information about the fund's reserves, the trustee company's capital reserve and trustee fee may be provided in our annual reports for each financial year, available at **caresuper.com.au/about-us**.

Tax

Fees and costs shown in this guide include GST (net of reduced input tax credits, if applicable) and stamp duty, if applicable.

The benefit of tax deductions received by us in relation to fees, costs or expenses isn't passed on to members in the form of reduced fees and costs. Tax deduction benefits that aren't passed on to members' accounts are retained by the fund.

Why are the fees and costs all different?

Each of our investment options has a different investment strategy and varying level of risk and expected return. Investment fees and costs and transaction costs will vary between each option (and from year to year), reflecting the blend of investment managers used, the asset allocation structure and any performance-related fees paid.

Changes to fees and costs

We have the right to change the fee amounts without your consent. You'll be given at least 30 days' notice before any material increase in fees deducted directly from your account takes effect.

Updated information about fees and costs may be published on our website at **caresuper.com.au/retirement-fees**.

Defined fees

Fee definition (the definitions are prescribed by law)	Information about CareSuper's fees and costs
Activity fees A fee is an **activity fee** if: • the fee relates to costs incurred by the trustee of a superannuation entity that are directly related to an activity of the trustee: – that is engaged in at the request, or with the consent, of a member or – that relates to a member and is required by law and • those costs are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee or an insurance fee.	We don't charge activity fees.
Administration fees and costs **Administration fees and costs** are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that: • relate to the administration or operation of the entity and • are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.	Administration fees and costs are deducted directly from your account. Some administration fees and costs may also be deducted from reserves. See *Additional explanation of fees and costs* on page 32 for more details.
Advice fees A fee is an **advice fee** if: • the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by: – a trustee of the entity or – another person acting as an employee of, or under an arrangement with, the trustee of the entity and • those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee	General advice and personal advice on certain matters relating to your super account is provided at no extra cost as this is covered by the administration fees paid by members. Comprehensive advice and Complex advice - if you use these financial services, you will be charged fees by providers which will be discussed with you prior to those fees being incurred.
Buy-sell spreads A **buy-sell spread** is a fee to recover costs incurred by the trustee of a superannuation entity in relation to the sale and purchase of assets of the entity.	We don't charge buy-sell spreads. However, transaction costs apply.

Exit fees An **exit fee** is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.	We don't charge exit fees. Exit fees are prohibited.
Investment fees and costs **Investment fees and costs** are fees and costs that relate to the investment of the assets of a superannuation entity and includes: • fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees) and • costs incurred by the trustee of the entity that: – relate to the investment of assets of the entity and – are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.	Investment fees and costs are deducted from the investment returns of each investment option before they're allocated to your account through unit prices. See page 32 for more details.
Switching fees A **switching fee** for a superannuation product other than a MySuper product is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one investment option or product in the entity to another.	There's no fee for switching investment options.
Transaction costs **Transaction costs** are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.	Transaction costs are deducted from investment returns of each investment option before they're allocated to your account through unit prices. See page 34 for more details.

Tax

This section provides a brief summary of the tax implications applicable to super. Tax on super can be very complicated. We strongly recommend you confirm your individual tax situation with your tax adviser.

Tax rules relating to super are subject to change. Limits or thresholds may be updated from year to year. This is a summary only that doesn't take into account your individual circumstances. You should refer to ato.gov.au/super for further information and consult an appropriately qualified adviser about your personal situation.

Providing your tax file number (TFN)

When you invest with us, we'll ask you for your TFN. By providing us with your TFN, you may avoid paying more tax on your income payments and withdrawals. When we have your TFN it's easier for you to keep track of your super over time.

We're required to properly safeguard your TFN and are only authorised to collect, use or disclose it for approved super and tax purposes, including:

- matching contributions and rollovers to your account
- advising the ATO for tax purposes
- advising the ATO of your benefits should you become lost to the fund
- making it easier to find super accounts in your name
- consolidating super accounts within and across funds.
- helping the ATO determine whether you're eligible for government entitlements
- taxing super payments at concessional rates.

These approved purposes may change in the future.

We'll provide your TFN to the trustee of another super fund if your benefits are transferring to that fund unless you tell us in writing not to.

For more details about providing your TFN, call us on **1800 005 166**, contact the ATO on 13 10 20 or visit ato.gov.au.

You should provide your TFN
If you don't provide your TFN, you may pay extra tax.

Transfer balance cap

The transfer balance cap is a limit on how much super can be transferred into retirement phase income products.

As you started a retirement phase income account before 1 July 2023 your personal transfer balance cap may be between \$1.6 million and \$1.9 million.

This limit applies to the combined total of all tax-free retirement phase income products you hold, with both CareSuper and other super funds. TTR Income accounts don't count towards the cap, and investment earnings or losses incurred in your retirement phase income products don't impact your cap assessment.

Your personal transfer balance account is a record of all events that count towards your transfer balance cap. This is managed by the ATO. If you need to know about the status of your personal transfer balance account, you must speak with the ATO directly.

The transfer balance cap rules apply differently to capped defined benefit income streams (including your Term Allocated Pension) as you generally can't transfer out any excess transfer balance from these income streams.

If you exceed your transfer balance cap due to a combination of capped defined benefit income streams (including your Term Allocated Pension) and account-based income streams, then:

- tax consequences may apply to the income payments from your Term Allocated Pension and
- you may be required to remove all or part of your account-based pension from the retirement phase and be liable for excess transfer balance tax on income generated while your balance was over the transfer balance cap.

Excess transfer balance tax is generally calculated on the earnings on your excess transfer balance for the period when you start to have an excess transfer balance to when your transfer balance account is no longer in excess.

The tax rate is 15% the first time you have an excess transfer balance and increases to 30% if you have an excess transfer balance again. The ATO will send you an excess transfer balance tax assessment if this tax applies to you.

The rules relating to the transfer balance cap are complex. We recommend that you keep track of transfers into your retirement income stream accounts and seek professional advice from your tax adviser about your individual tax situation if you have significant super savings.

Investment earnings

There's no tax on investment earnings on a Term Allocated Pension account.

Your tax components

Super accounts are made up of a tax-free component and a taxable component.

- The **tax-free component** will generally be paid out to you (or your beneficiaries) without tax being applied or withheld.
- The **taxable component** may have tax applied or withheld depending on your age and how (and to whom) the payment is made.

When you access super, the amount withdrawn is paid proportionately from both components (you can't choose which component your income payments or withdrawal is paid from).

You can check your tax components for your balance in **Member Online** or by contacting us. These amounts are also shown in your annual member statement.

Income payments

If you're 60 or over

Your income payments are generally tax-free and don't need to be declared as assessable income when you lodge a tax return.

Tax may be payable if the total of payments received from your Term Allocated Pension and any other capped defined benefit income streams are greater than the defined benefit income cap ($118,750 for the 2024-25 financial year), and you're either:

- 60 or over or
- you're a death benefit dependant, and the deceased passed away when they were 60 years or older

In these cases, you may be subject to tax, on the portion above the cap, at your marginal rate on 50% of your income payments above the defined benefit income cap. We will send you a pay as you go (PAYG) Payment Summary each year even though no withholding will apply to your Term Allocated Pension.

If you're under 60

- You may need to pay tax on the taxable component of your income payments with a taxed element. This will be taxed at your marginal tax rate plus the Medicare levy.
- You may be eligible to access tax offsets.
- You can't elect to treat income payments as lump-sums for tax purposes.

We'll withhold any pay as you go (PAYG) tax (if applicable) from your income payments and pay to the ATO. The tax deducted from your payments is based on a number of factors, such as the tax-free component of your account, and whether you'll claim the tax-free threshold and if you're eligible for the tax offset.

You may be entitled to a 15% tax offset on the taxed portion of your income payments if:

- the account became payable to you because of the death of another person, such as a death benefit paid as an income stream or
- the account became payable because of the permanent disablement of yourself or another person, such as a disability super benefit under tax law

Lump sum withdrawals

Generally, you can't make lump sum withdrawals from Term Allocated Pension accounts, except in limited circumstances. See page 9 for more details.

If you meet the criteria and withdraw your funds, the tax treatment will depend on your age and the tax components of your account.

If you're 60 or over

- Any lump-sum withdrawals you make are tax-free.
- You don't need to declare these amounts as assessable income when you lodge a tax return.

If you're under 60

- You may need to pay tax when you draw money out of your account.
- Tax may apply to the taxable component of your withdrawals with a taxed element. This will be taxed at your marginal tax rate plus the Medicare levy or 22% (including the Medicare levy), whichever is lower. We'll withhold 22% at the time of the payment. If your marginal tax rate is lower, you may get some of this tax back when you lodge your personal income tax return. Taxes are generally withheld from your payment before you receive it.

Death benefits

The tax applied to your death benefit depends on who receives your benefit, and whether it's paid as a lump sum or as an income stream.

Income stream

If you have a reversionary beneficiary and you or your reversionary beneficiary are age 60 or older when you pass away, income payments to your reversionary beneficiary may be subject to tax where the beneficiary has exceeded the defined benefit income cap ($118,750 for 2024-25) in respect of income from defined benefit income streams.

In addition, a credit to your reversionary beneficiary's transfer balance account may arise unless they choose not to receive your Term Allocated Pension.

If you nominated your spouse as your reversionary beneficiary and based the term of your Term Allocated Pension on your spouse's life expectancy, your spouse can't withdraw your account balance as a lump sum when you pass away. Instead, your spouse will continue to receive income payments until the expiry of the term you originally nominated.

If you don't have a reversionary beneficiary, your benefit will generally be paid as a lump sum.

Term Allocated Pensions can continue to be paid as an income stream to a dependent child, although when the child turns 25 years of age, the remaining account balance will have to be paid as a tax-free lump sum unless the child is permanently disabled.

Death benefits paid to a dependant as Term Allocated Pension income payments are taxed as follows:

- Payments are generally tax-free, however if your annual income payments exceed the defined benefit income cap ($118,750 for 2024-25), 50% of your income payments will be taxed at your marginal tax rate plus the Medicare levy.
- If the deceased was under 60 and the recipient is under 60, the taxable component is taxed at the recipient's marginal tax rate plus the Medicare levy, less a 15% tax offset.

Lump-sum payment

If your benefit passes to your dependant (who is defined as a dependant for tax purposes), the benefit will be received by the beneficiary tax-free. If the benefit passes to a non-dependant, the beneficiary will pay tax on the taxable component of the lump-sum death benefit they receive.

No tax is payable on lump-sum death benefits paid to a person classed as a dependant for tax purposes, such as:

- your current or former spouse (including de facto partner)
- your child under age 18
- any person who was dependent upon you at the time of your death or
- any person in an interdependency relationship with you.

Children 18 years and over must be financially dependent on you at the time of your death to be considered a dependant for tax purposes.

Adult children who aren't financially dependent on you can still receive your super death benefits. However, they'll be assessed as non-dependants for tax purposes.

The amount of tax paid by non-dependants will depend on the tax components of the account:

- The tax-free component will generally be paid out to beneficiaries without tax being applied or withheld.
- The taxable component will be taxed at the recipient's marginal tax rate or 17%, whichever is lower.

Higher tax rates may apply to your payments if your TFN or the recipient's TFN haven't been provided to us.

Nominating your beneficiaries

A beneficiary is the person or persons you nominate to receive all or part of your account balance when you pass away. This payment is called your 'death benefit'.

Reversionary beneficiary nomination

If you nominated a reversionary beneficiary when you commenced your Term Allocated Pension, this person will automatically continue to receive your income payments when you pass away if they're still a valid beneficiary.

A valid reversionary beneficiary is one of the following:

- your spouse
- your child who is under 18
- your child who is between 18 and 25 and financially dependent on you
- your disabled child (see section 8(1) of the *Disability Services Act*)
- any person you have an interdependency relationship with or
- anyone financially dependent on you

Tax may apply to the payments, and the value of the account may be added to your reversionary beneficiaries transfer balance account. See the *Tax* section starting on page 37 for more details.

If you nominated your spouse as your reversionary beneficiary, you may have based the term of your Term Allocated Pension on your spouse's life expectancy. If this is the case, your spouse can't withdraw your account as a lump sum when you pass away. Instead, your spouse will continue to receive income payments until the expiry of the term you originally nominated.

You can make a non-binding nomination for other beneficiaries to receive your remaining account balance if your reversionary beneficiary dies (see *Lump-sum beneficiary nominations* on this page for more details).

If your nominated beneficiary is no longer a valid reversionary beneficiary when you pass away, we'll pay your remaining account balance to your dependant(s) and/or legal personal representative. This means we may use our discretion when determining who to pay your benefit to and in what proportions.

When deciding, we'll take into consideration any other nomination and any other legal requirements and governing rules.

Lump-sum beneficiary nominations

If you haven't nominated a reversionary beneficiary, you may like to nominate a beneficiary or beneficiaries to receive the balance of your pension account as a lump sum when you die.

Who can you nominate as a beneficiary?

You can nominate your legal personal representative and/or your dependants.

Your legal personal representative is either:

- your estate's executor (if you have a Will)
- your estate's court-appointed administrator (if you don't have a Will)
- your estate's trustee or a person who holds an enduring power of attorney granted by you.

If you nominate your legal personal representative to receive some or all of your death benefit, the benefit will form part of your estate and will be distributed according to your Will.

If you don't have a Will, the laws on dying without a Will apply.

For super purposes, your dependants include:

- your spouse (including a de facto partner)
- your children of any age (including natural, step and adopted children)
- a person you have an interdependent relationship with
- any other person who, when you passed away, was wholly or partly dependent on you

You may have an interdependent relationship if all of these apply:

- you live together
- you have a close personal relationship
- one or each of you provides the other with financial support
- one or each of you provides the other with domestic support and personal care

This may include a parent or sibling. You may also have an interdependent relationship if you have a close personal relationship but don't live together because either or both of you suffer from a physical, intellectual, or psychiatric disability.

We can only pay your benefit to people who are alive and are your dependant/s or legal personal representative when you pass away.

You can see your nomination on your member statement and in **Member Online**.

How to make a lump-sum beneficiary nomination

There are two types of beneficiary nominations you can make for lump-sum beneficiary nominations: **non-binding** and **binding**.

Which nomination you make will depend on your specific circumstances.

Non-binding and binding nominations can be made for all CareSuper accounts you hold, including both accumulation and retirement income accounts. You can choose for a nomination to only apply to one account or all accounts you hold.

Non-binding nomination

With non-binding nominations, you nominate who you'd prefer to get your death benefit when you pass away.

Non-binding nominations aren't legally binding. While your wishes are considered, it's ultimately up to the trustee to decide who gets your death benefit and how much. This decision is made in line with all relevant super laws and the trust deed.

Non-binding nominations never expire and can be made, updated or changed at any time:

- through **Member Online**
- by calling us on **1800 005 166**
- by completing the *Choose your non-binding beneficiaries* form

Binding nomination

With binding nominations, the trustee is legally obliged to pay your death benefit to your nominated beneficiaries in the proportions you've chosen, as long as the nomination is valid and effective when you pass away.

This gives you more control over who gets your super and can be helpful when your circumstances are more complex. This includes if you've been married multiple times or have kids from previous relationships.

To make or change a binding nomination, fill out the *Make a binding death benefit nomination* form.

When making a binding nomination, you can choose either:

- **lapsing** – this will expire after three years, unless cancelled earlier or
- **non-lapsing** – this means that it will never expire (unless you cancel or update it)

For your binding nomination to be valid, you must ensure:

- the form doesn't contain any amendments or corrections
- your form is signed and dated on the same day you sign by two witnesses who are over the age of 18 and who aren't nominated on the form

The form must also be received and acknowledged by CareSuper before you pass away for it to be valid.

For your nomination to be effective, your nominated legal personal representative and/or dependant(s) must be your representative and/or dependant(s) when you pass away. If your binding nomination is identified as being invalid when you pass away, or isn't effective when you pass away, the trustee will decide who to pay your benefit to as though you had a non-binding nomination.

It's important to review your nomination whenever your circumstances change.

If any of the following changes occur after you make a binding nomination, your nomination may become invalid:

- you're no longer in a relationship with your nominated spouse
- you've started a new relationship with a spouse who you haven't nominated as a beneficiary
- you have a child with someone who is not your spouse
- if any of your nominated dependants or your legal personal representative(s) pass away before you do
- if any of your nominated dependants cease to be a dependant of yours under super laws
- if any person nominated as your legal personal representative ceases to be your legal personal representative

In some circumstances, for example a court order, the trustee may not be able to pay a benefit in accordance with an otherwise valid and effective binding nomination.

Renewing your binding nomination

If you have an expiring binding nomination and your beneficiaries haven't changed, you can renew your binding nomination before it expires in **Member Online** or by completing the *Renew your binding death benefit nomination* form. We'll contact you to let you know when your nomination is about to expire.

Change or cancel your binding nomination

You can change your nomination anytime by completing another *Make a binding death benefit nomination* form. This includes if you'd like to change your expiring binding nomination to a non-lapsing binding nomination.

You can cancel your nomination at any time by completing the *Cancel a binding death benefit nomination* form.

If you don't make a nomination

If you pass away without making a nomination, or your nomination isn't valid or effective when you pass away, we'll decide how to pay your death benefit.

Usually, your benefit can only be paid to your dependant or dependants and/or legal personal representative.

Other important information

Super and your social security

Eligibility for the government Age Pension depends on your age, residency status and the income and assets tests. How much you receive depends on the income you receive from other sources, including your super, and the value of your assets.

Centrelink applies two tests when it assesses if you're eligible to receive the Age Pension: an assets test and an income test.

Your Term Allocated Pension may affect both the assets and income test. Depending on your circumstances, you may be eligible for a 50% assets test exemption.

For more information about the income and assets tests, go to servicesaustralia.gov.au.

Super and family law

Under family law, your account may be split between you and your ex-spouse. When this happens, the trustee must provide certain details about your account to your former spouse. Sometimes, this may be done without notification or consent. Individuals involved in family law proceedings may also request information about their former spouse through the Family Court.

Super can be split through a super agreement between you and your ex-spouse or as the Family Court decides. Once a super split has been implemented, the share of your account payable to your ex-spouse will be transferred into a super account in their name. If your ex-spouse doesn't have a CareSuper account, we'll set up a new one for them. Alternatively, they can choose to transfer this money to another super fund or withdraw it if they meet a condition of release to access their super.

There are some situations where super benefits can't be split, such as when your account balance is less than $5,000.

Contact your legal adviser or financial adviser for details about how a family law split may affect your benefits.

For more details about family law, read our *Super and family law* fact sheet.

Unclaimed money

If you're age 65 or over and/or we've been unable to contact you or pay your income payments for a period of five years, your account balance will be considered to be lost or unclaimed money and may be sent to the ATO. We may also transfer your funds to the ATO if we believe this is in your best interests.

You can approach the ATO to claim any such money directly. There are other circumstances where your account balance may be sent to the ATO. We must abide by laws relating to the payment of lost, unclaimed and other monies to the ATO.

Providing proof of identity

We need to verify your identity when you:

- withdraw super from your account
- transfer super to another super fund
- apply to open a retirement income account.

This is to make sure we're giving your hard-earned money to the right person.

We also collect your personal details and other identification information while you're a member of CareSuper. This is to meet our obligations under Australian anti-money laundering and counter-terrorism financing laws.

You can choose for us to verify your identity using either electronic verification or paper-based verification.

If you're transferring your super to another fund, we can generally prove your identity using your TFN.

Read our *Guide to providing proof of ID* fact sheet for more details.

Privacy collection statement

We collect, hold and use your personal information primarily to manage your CareSuper account. This includes administering transactions and calculating, managing and paying your benefits, as well as informing and educating you about your super. Without your personal information, we may not be able to deliver these services.

Generally, we collect personal information from you directly. However, from time to time, we collect information about you from other sources (for example, your employer or our insurer). Sometimes we collect information about you because we're required or authorised by law to do so. For example, Commonwealth anti-money laundering laws require us to collect certain information to verify your identity before we can pay you a benefit.

It might be necessary for us to disclose your personal information to external organisations, which typically include our professional advisers, our insurers, certain government bodies (for example, the ATO), external mail houses and other super funds. Disclosure of a member's personal information to an entity located outside Australia will only occur where it's necessary for the purposes of administering your membership in accordance with our *Privacy policy*.

For important information about how we collect, hold and use your personal information and exercising your rights in relation to that information (including accessing or correcting it, or making a complaint) you should refer to our *Privacy policy* which is available at **caresuper.com.au/privacy** or by contacting us.

Complaints

We hope you'll never have a reason to complain. However, if you do, you can refer to our *Complaints handling policy* for more information. This is available at **caresuper.com.au/complaints** or call us on **1800 005 166** and we'll send you a copy.

If you have any problems or complaints, contact our Complaints Officer.

- Call **1800 005 166**
- Email **complaints@caresuper.com.au**
- Write to GPO Box 1547, Hobart TAS 7001

You'll need to include all relevant details in your communication. We'll make every effort to deal with your concerns as quickly as possible. We'll aim to resolve your complaint within 45 days of receiving it. In certain circumstances, we can take longer but we'll let you know.

You may also contact the Australian Financial Complaints Authority (AFCA). However, AFCA won't usually deal with your complaint until it's been through our internal complaints handling process. AFCA is an independent body established by the Australian Government to assist members or their beneficiaries resolve certain types of complaints with fund trustees.

Contact AFCA to see if they can handle your complaint.

- Call 1800 931 678.
- Email info@afca.org.au.
- Write to GPO Box 3, Melbourne VIC 3001.

Staying up to date with your account

How we communicate with you

Information relating to your account or CareSuper will be provided or made available to you by electronic means where possible (rather than sending it by post), unless you request otherwise.

The electronic means we use include our website, and any digital facilities available through the website, including **Member Online**.

If we have an email address for you, we'll either email you the information or send you an email notification that the information is available on our website or **Member Online**. We may also make this information available or send you a notification by SMS or through our app.

The information we provide in this way may include documents, notices or statements we're required to give you under super law, such as significant event notifications, member statements, exit statements or other confirmations.

We'll let you know when there is information ready for you on or through our secure website.

If you don't want to receive this type of information electronically, it's easy to opt out or change your preference for future communications through **Member Online** or by calling us on **1800 005 166**.

Throughout the year, you'll have access to:

- your annual member statement – showing your account balance, investment performance and any transactions during the year
- our electronic newsletter providing articles on investment performance and other general information about super and retirement
- our annual reports – available within six months of the end of the financial year at **caresuper.com.au/about-us**. You can also request a hardcopy of them
- fact sheets, publications, calculators and other useful information – available at **caresuper.com.au**
- information seminars and webinars – conducted throughout the year, at no extra cost to you.

Member Online and the CareSuper app

Keeping up to date with what's going on with your super is easy.

Log in to **Member Online** with either your member number or registered email address for quick and secure access to your account.

With **Member Online**, you can:

- view your balance, transaction history and statements
- update your contact details (excluding mobile number)
- view and change your investment options
- set communication preferences
- view your beneficiaries, update your non-binding nominations and renew binding nominations
- add your tax file number
- generate Centrelink schedules

It's easy to set up your online access, simply go to **caresuper.com.au**, click 'Log in', and follow the prompts.

If you're unsure of your member number or which email address you registered with us (or you don't have one registered at all), call us on **1800 005 166**.

You can also download the CareSuper app for easy access to your account.

Need advice?

We offer access to a range of financial advice options for you to choose from at any stage of your life.

Advice about your CareSuper account

This advice is included in your membership so there is no additional cost for it. Speak with our super experts to get your super sorted and working hard for you.

General advice*

We can help you better understand your account with:

- A detailed look at our products, including how to open an account.
- A walk-through of some typical super actions you may want to take, such as how to contribute more or change your investments.

This information won't be customised to your personal situation.

Personal advice on your CareSuper account*

A more personalised look at your CareSuper account.

Topics include:

- How to build a bigger balance
- Using tax incentives to your advantage
- Your risk appetite and choosing the right investment option
- An estimate of how much super you'll have when you finish working
- Retirement planning and understanding your income options when you stop working

Tailored advice about your whole situation

Get tailored comprehensive advice from a qualified financial planner and start building financial freedom.

Comprehensive advice^

A holistic look at your whole financial situation including assets outside super, debts, all your goals or other circumstances. The needs of your household can be considered too, so everyone's looked after.

We can give you advice on key planning areas to help you design your future:

- Tax-effective retirement income options
- Wealth creation and protection strategies
- Maximising your Age Pension entitlements
- Transition to retirement (TTR) strategies
- Reducing longevity and volatility risks
- Investing outside of super
- Debt and expense management
- Tax effective saving strategies
- Estate planning

Comprehensive advice involves an additional cost, not covered by your CareSuper membership. We'll tell you the fees upfront and you'll only be charged for any advice you agree to.

Complex advice#

If your advice needs are more complex, we can refer you to a relevant provider where you can access these advice services. In most instances, the cost of these additional advice services can't be deducted from your CareSuper account and must be paid for personally. Fees for complex advice will be explained upfront by the provider.

This service covers things like:

- Estate planning
- SMSFs
- Direct equities
- Aged care.

Already have an adviser you trust?

We provide financial planners that aren't associated with CareSuper with a variety of tools and resources, as long as you've approved them as your nominated adviser.

If they want to know more, they can call us or visit our dedicated webpage **caresuper.com.au/fpresources**.

*Advice is provided by CareSuper Advice Pty Ltd (ABN 78 102 167 877, AFSL 284443). A copy of the *Financial services guide* for CareSuper is available at **caresuper.com.au/fsg**.

^Advice is provided by one of our financial planners who is an authorised representative or representative of Industry Fund Services (IFS) Limited ABN 54 007 016 195 AFSL 232514 as specified in their financial services guide. Fees may apply. IFS is responsible for any advice given to you by its authorised representatives and representatives.

#Complex advice is provided by external parties after being referred by one of our financial planners. You may be referred to Nestworth Financial Strategists Pty Ltd ABN 71 672 637 946, an authorised representative of Personal Financial Services AFSL 234459. If you seek complex advice with Nestworth Financial Strategists, you will be provided with a financial services guide setting out the advice services that can be provided, and costs for advice will be agreed upfront with them. A *Statement of Advice* setting out the basis for the advice will be provided. CareSuper receives no financial incentives from Nestworth Financial Strategists in referring a member.

Keeping in touch is easy

Call

Call **1800 005 166** for easy access to your CareSuper account information. You can talk to one of our friendly staff between 8am to 7pm each business day.

Visit

Visit **caresuper.com.au** to access the latest news and information, check out how CareSuper is performing and download publications and forms.

Log in

Manage your super through **Member Online**. Simply log in to view your account balance or change your details or investment options.
Log in or register at **caresuper.com.au**.

Email

You can send any questions or concerns through to **info@caresuper.com.au**.

Make sure we can find you!

If you've changed your postal or email address, or if you are about to, don't forget to let us know. This way, you'll be sure to receive your important super statements and other valuable information.

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