

# Member outcomes 2022/23

## We care about helping you achieve your goals in life.

Established in 1986, we're the leading fund for life for people who value high performance and a smoother ride over the long term.

At CareSuper, we're here to help you achieve your financial goals. We do this by delivering strong returns through active management with integration of ESG principles, together with award-winning, trusted products and services – so you can enjoy your best life after work.

### Here's why 222,000+ members choose us



#### TOP 10 PERFORMER

A top-performing Australian super fund with a consistent track record of outperformance.\*



#### AWARD-WINNING

Independent ratings agency SuperRatings, has rated us a platinum fund for 19 years in a row.



#### RUN JUST FOR YOU

As a profit-to-member top Industry SuperFund, our returns are all for you.

### PROMOTING THE BEST FINANCIAL INTERESTS OF MEMBERS

Based on our member outcomes assessment completed for 30 June 2023, we've determined:

- Our MySuper and Choice products continue to promote the best financial interests of members, and
- CARE Super Pty Ltd, as Trustee of CareSuper, continues to promote the best financial interests of members.

This is great news for our members, and you can be confident your super is in safe hands. You can read more about our analysis and how we came to our determination in this report.

\* SuperRatings SR50 Balanced (60-76 Median) Index, June 2023.



## Part 1. How we compare

The first requirement of the member outcomes assessment was to compare our MySuper, Choice and Pension products against similar products from other super funds. We looked at three key metrics: fees and costs, net return to members and the level of investment risk. Read a summary of our comparison below and more about fees on page 7.



### MYSUPER

Our Balanced option is CareSuper's MySuper (default investment option) product.

According to independent ratings agency SuperRatings, our Balanced (MySuper) option was a top performer over 10, 15 and 20 years and is ranked 4th over 20 years as at 30 June 2023, returning an average 7.90% per year.\*

When compared to a selection of similar products from other funds, we found our Balanced (MySuper) option:

- Delivered a competitive 10-year average return, and
- Has the lowest investment risk level of all funds in the comparison.

Our Balanced (MySuper) option outperformed over the long term, and is highly rated by independent ratings agencies. View our MySuper ratings and awards at [caresuper.com.au/awards](https://caresuper.com.au/awards).

### CHOICE

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

Over 10 years, the returns of our Sustainable Balanced, Australian Shares, Direct Property and Cash options were in the top quartile. Growth, Alternative Growth, Capital Stable, Overseas Shares and Fixed Interest were in the second quartile. Conservative Balanced option was in the third quartile. Capital Guaranteed was in the bottom quartile. Capital Guaranteed won't be offered following the merger with Spirit Super, and members invested in this option will be transferred to the Cash option. While the Cash option underperformed, it still met its investment objectives.

We invest with the long term in mind and are always looking to your future. So the longer-term figures are a true measure of our success.^

The 1-year returns of seven of our options performed better than their respective median survey returns.^

### PENSION

Our Pension product includes 13 investment options, including seven Managed options, five Asset class options and, for pensions other than transition to retirement (TTR) pension, the Direct Investment option.

Over 10 years, the returns of our Sustainable Balanced, Australian Shares, Direct Property and Cash Pension options were in the top quartile. Balanced, Growth, Alternative Growth, Capital Stable, Overseas Shares and Fixed Interest were in the second quartile. Conservative Balanced and Capital Guaranteed were in the third quartile. Capital Guaranteed won't be offered following the merger with Spirit Super, and members invested in this option will be transferred to the Cash option.

The 1-year returns of four of our options performed better than their respective median survey returns.^



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

^ SuperRatings Fund Crediting Rate Survey – June 2023.

## Part 2. Assessment

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



### KEY FACTORS

- Options, benefits and facilities
- Investment strategy and performance
- Insurance strategy and insurance fees
- Scale
- Operating costs
- Fees and costs
- APRA annual performance test
- APRA MySuper and Choice Heatmap

### 1. OPTIONS, BENEFITS AND FACILITIES

We aim to build enduring relationships with our members by continually adding value and improving our member experience.

In addition to our superannuation, retirement and insurance products, CareSuper members can access extra benefits with their membership, including savings on health insurance, finance-related essentials and access to an online education hub. We also offer free advice about your super over the phone\*, comprehensive^ and complex# advice for a fee, education, events, webinars and more.

Find out more about the benefits available with your CareSuper membership at [caresuper.com.au/benefits](https://caresuper.com.au/benefits).

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

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

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



#### CareSuper's product objective – 30 June 2023

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



CareSuper members can access extra benefits with their membership.

### 2. INVESTMENT STRATEGY AND PERFORMANCE

We invest your super with one goal in mind: to help you achieve the best possible outcomes when you finish working. We use an actively managed and long-term strategy – driven by a proven investment philosophy to deliver strong returns with lower risk to maximise your super savings.

You can learn more about how our investment philosophy informs our investment strategy at [caresuper.com.au/investmentphilosophy](https://caresuper.com.au/investmentphilosophy).

#### OUR INVESTMENT PHILOSOPHY:



##### ACTIVELY MANAGING INVESTMENTS

We seek the best opportunities in Australia and overseas. And we add extra value by choosing specialised investments that we believe have potential to outperform the market.



##### DOWNSIDE PROTECTION

We employ strategies to protect your super in volatile times. We utilise a 'downside protection' strategy to minimise the impact of negative returns when markets fall and lower the investment risk to members.



##### RESPONSIBLE INVESTING

We invest your super for the long term by considering environmental, social and corporate governance risks and opportunities – safeguarding members' best financial interests.

**A COMPARISON**

Our aim is to deliver strong net returns over the long term, protecting your super in down markets and maximising gains in up markets.

This approach has led to our strong long-term performance with our Balanced (My Super) option ranked 4th over 20 years as at 30 June 2023, returning an average 7.90% per year.\*

Factoring in risk level (the likelihood of a negative annual return), over 10 years to 30 June 2023, our Balanced option is the only fund in the top 10 funds for both risk level and returns.

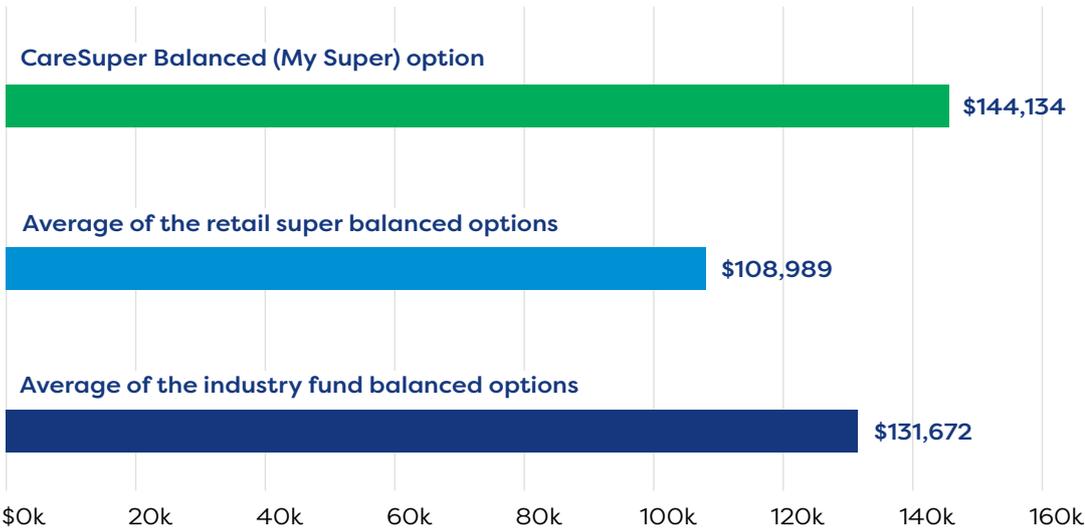
\* SuperRatings Fund Crediting Rate Survey, SR50 Balanced (60-76) Index, 30 June 2023.

**A BIGGER NET BENEFIT**

Our strategy has delivered a bigger net benefit (the value of earnings on your account after all fees and taxes) to members over the long term.\* How?



The result? Over 15 years to 30 June 2023, our Balanced (My Super) option returned over \$35,000 more than the average of all surveyed retail funds and outperformed the average of all surveyed industry funds by over \$12,000.



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

\*SuperRatings Fund Crediting Rate Survey, SR50 Balanced (60-76) Index, 30 June 2023.



**CareSuper’s investment objectives – 30 June 2023**

- To maintain competitive rolling 10 year net returns in comparison to peers as measured by SuperRatings. ✓
- To ensure investment management is in line with philosophy of active management and downside protection as measured by SuperRatings. ✓
- To maintain lower than median risk outcome in comparison to peers as measured by SuperRatings. ✓

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

### 3. INSURANCE STRATEGY AND INSURANCE FEES

Our insurance strategy is informed by our insurance philosophy.

We offer competitive and affordable insurance to eligible members to provide cover in the event of death, terminal illness, total and permanent disablement and temporary disablement.

Our insurance offering has been designed specifically to meet the needs of CareSuper members, who are generally in lower-risk occupations, meaning we've been able to negotiate competitive fees with our insurer, MetLife. We don't make a profit from providing insurance to members, and it's one of the most cost-effective ways to access the benefits of insurance.

#### WE'RE COMMITTED TO:

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

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

##### 2. A fair and personalised approach to insurance claims management

We aim to ensure the claims process is as fair, ethical and straightforward as possible and that eligible claims are paid in a reasonable timeframe. We'll do everything reasonable to pursue an insurance claim for members and/or their beneficiaries if the claim has a reasonable prospect of success.

##### 3. A trusted partnership with our insurer

We require our insurance partner to reflect our members-first ethos, support our service model, and demonstrate alignment to us in their claims philosophy.

#### OUR INSURANCE OFFERING

We offer three types of insurance: death, total and permanent disablement (TPD) cover and income protection. When a new member joins CareSuper they will automatically receive default age-based death and TPD cover, subject to meeting eligibility conditions. Income protection is available as voluntary cover and members can apply at any time in MemberOnline.

We also support employers who wish to arrange more tailored insurance through CareSuper for their employees as part of their overall benefits.

You can find out more about insurance in super and our insurance offering at [caresuper.com.au/insurance](https://caresuper.com.au/insurance).

#### MAINTAINING AN APPROPRIATE INSURANCE STRATEGY

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

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



#### CareSuper's insurance objective – 30 June 2023

To maintain appropriate insurance strategy designed to meet the needs of CareSuper members including a professional scale.



To provide an insurance product that meets the requirements of the Insurance in Superannuation Voluntary Code including insurance fees charged and the minimisation of cross-subsidisation of age and gender.



#### 4. SCALE

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

We assess scale based on the following criteria:

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

Based on the analysis performed for our member outcomes assessment for financial year ended 30 June 2023 we've met the above criteria. We continue to have:

- Enough members to sustain the ongoing viability of the fund to operate in the best financial interests of members. We had more than 222,000 members as at 30 June 2023.
- A sufficient level of assets to invest while remaining nimble enough to move quickly in the market if required. Learn more about our top investment holdings in our **Annual Report 2023** available at [caresuper.com.au/annualreport2023](https://caresuper.com.au/annualreport2023).
- A good offering of products and services that are used by members and compare favourably within the market.
- Strong long-term returns and net benefit outcome compared to competitor funds as outlined earlier in this report.



#### CareSuper's scale objective – 30 June 2023

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



#### 5. OPERATING COSTS

At CareSuper, we work hard to keep our costs low and we're transparent about our expenses.

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

Operating costs are budgeted for each financial year and approved by the CareSuper Board and expenditure is then monitored closely. For the financial year 2022/23, operating expenses came in under budget. A full breakdown of our operating expenses can be found at [caresuper.com.au/financialinformation](https://caresuper.com.au/financialinformation).

#### HOW OUR COSTS COMPARE

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

\*SuperRatings Benchmark Report 2024.



#### CareSuper's operating costs objective – 30 June 2023

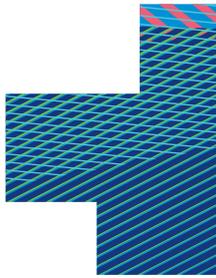
To work hard to keep costs low to maximise members' balances.



## 6. FEES AND COSTS

When it comes to your super, it's the overall benefit to you that counts. That's why we're driven by strong results – not by being the cheapest.

The total fees and costs applied to your super account include administration fees, investment fees and an indirect cost ratio.\* Other fees apply for the Direct Investment option and Guaranteed Income product. You can view our fees at [caresuper.com.au/fees](https://caresuper.com.au/fees).



### HOW OUR FEES COMPARE

The annual fee for a CareSuper member invested in our Balanced (MySuper) option with an account balance of \$50,000 is \$553. In comparison, the average fee for a \$50,000 account balance across all MySuper products rated by SuperRatings in 2023 is \$490.^ And we remain in the top quartile for net benefit to members over the long term.

\* Additional fees, such as advice fees for personal advice, or insurance fees, may apply. Percentages are of your account balance.

^ SuperRatings Benchmark Report 2024



### CareSuper's fees objective – 30 June 2023

To maintain competitive fees on net return basis.



## 7. APRA ANNUAL PERFORMANCE TEST

Each year, APRA conducts annual performance tests on all super funds' MySuper products.

### WE'RE A TOP 10 PERFORMING FUND

The results of the MySuper performance test as at 30 June 2023 were published in August 2023. As anticipated, our Balanced (MySuper) option (where most CareSuper members are invested) passed the test and outperformed APRA's benchmark by a healthy margin of 0.90%. We were also was one of the top 10 performing funds.



### CareSuper's APRA annual performance test objective – 30 June 2023

To achieve a positive result in the APRA annual performance test.

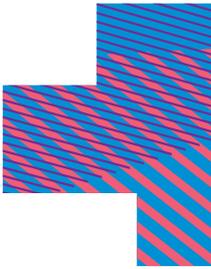


## 8. APRA MYSUPER AND CHOICE HEATMAP

APRA has chosen to stop producing the MySuper and Choice Heatmaps and did not produce them for the year ended 30 June 2023.

In their media release dated 29 November 2023 they state:

“ APRA has also published each product's numerical results for this year's performance test. These figures show how products performed relative to the tailored benchmarks beyond the “pass” and “fail” results announced in August. The two publications replace this year's heatmaps as APRA transitions to a more aligned approach to fund performance scrutiny. From next year, a comprehensive transparency package covering investment returns, fees and performance test metrics will be published soon after the annual performance test. ”



## Summary of our assessment

Based on the analysis performed, we continue to have:

- Enough members to set fees at a competitive level to cover operating costs
- Enough members to sustain the ongoing viability of the fund to operate in the best financial interests of members
- The necessary level of assets to invest, while remaining nimble enough to move quickly in the market if required
- A wide range of products and services that compares favourably within the market
- A suitable insurance offering appropriately designed to meet the needs of members with insurance fees guaranteed until 2027, and
- A strong net benefit compared to competitor funds.

### DETERMINATION



Based on the member outcomes assessment completed for 30 June 2023, CareSuper has determined that:

- The MySuper and Choice products issued by CareSuper continue to promote the best financial interests of members and
- CARE Super Pty Ltd as Trustee of CareSuper continues to promote the best financial interests of members.

**Our determination is supported by independent ratings agency, SuperRatings.**

“ SuperRatings believes CareSuper has delivered high quality outcomes to members, as evidenced by a strong strategic planning process and competitive long term net benefit outcomes. ”

*SuperRatings Benchmark Report 2024*

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

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



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