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NOW for Members June 2014 Issue 19

CATHOLIC™
Super

A note from the CEO



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With a new financial year having started I cannot believe it is already halfway through 2014. One of the changes to superannuation post 30 June is the increase to the Superannuation Guarantee, which has increased 0.25% to 9.5%. On our website you will find a video by Craig Voyer outlining more changes affecting super from 1 July this year.

On 8 July 2014, voting will open for a member elected Director position (refer to the flyer for more information). Be sure to visit our website to cast your vote for your preferred candidate between 10am Tuesday 8 July and 3pm Tuesday 22 July. You will also find included in this edition of the newsletter a profile on our newest board member Carolyn Harkin.

Refer to Page 6 for the Core Investment beliefs that summarise how Catholic Super approaches investments taking into consideration the profile of our membership base.

Finally, as member statements will be released in September, now is a great time to make sure your details are up to date. You will find information on how to update your details and the different options available to you for receiving your statements on page 10 of this edition.

Should you have any questions about your super account, our Member Services team is always happy to assist.

Call **1300 655 002** for superannuation enquiries, and **1300 730 327** for pension enquiries.

Frank Pegan
Chief Executive Officer

Employer Election results

Thank you to those who participated in the recent election for an employer nominated representative for the Directors to the Trustee Board.

I wish to congratulate Mrs Carolyn Harkin who was elected as an Employer Representative Director.

A profile can be found on page 4, which will give you an insight into Carolyn, her life and her reason for choosing to nominate for the Catholic Super board.

We wish Carolyn well in her new role and I know she will represent the interests of Members with a high degree of commitment and enthusiasm.

I would like to thank Mr Brian Reed, who has represented the members of Catholic Super for 6 years. The responsibilities of Directors of superannuation Trustee Boards are very significant and time consuming and in this context I wish to acknowledge the contribution of Brian, who has given well above what could reasonably be expected in ensuring that services and investment returns to our Members have been at the highest levels possible within the existing financial environment.

Member elections are coming up shortly, so please make your vote count. You can find details regarding the upcoming election on the included election flyer. You will find the nominee's profiles on our website and I urge you to take the time to read them and submit a vote for your preferred candidate.

Peter Bugden

Chair
Catholic Super



Profile:

Carolyn Harkin

Carolyn Harkin's recent appointment as a director to the Catholic Super Board is a perfect alignment of her life's work and personal interests.

She has managed to merge two of her passions – education and superannuation – to give her a unique opportunity to make a difference to people's lives.

Carolyn might be modest, but having carved out a meaningful career in education and finance, she is quietly determined to also use her skills to help improve people's understanding of superannuation.

Based in Bendigo in central Victoria, Carolyn is a Certified Practising Accountant who is responsible for providing advice and support in relation to finance and resources to the 54 Catholic schools in the Diocese of Sandhurst – a diocese which extends across most of central and north eastern Victoria. She's worked for the Sandhurst Catholic Education Office since 1997, soon after she graduated as a mature-age student with a degree in Commerce.

Carolyn studied while taking a 12-year break from the workforce to raise her three children, and knew she wanted a role that would allow her to help build a stronger community.

"I knew fairly early on that – even though I enjoy accounting and finance and I love the black and white part of my job – what gives me great joy is that thought that hopefully you're making a difference to some child in a school in the diocese, or you're able to help education flourish, because that's the key to life chances," she explains.

"If the school can be strong and the community can be strong it's better for everyone."

A typical day for Carolyn might involve meeting with the Director of Catholic Education to discuss funding, resource allocation or accountability for a particular program or initiative. Or she may be driving down to Melbourne for a grants allocation committee meeting, fielding calls on the way from a principal, school business manager, administration officer or Canonical Administrator with varying financial questions, such as whether a school has the capacity to take out a new loan for a new building or renovation; or for advice on a school's financial information.



"The other big part of my working life in recent years has been to work with our director and our colleagues across the state and country to try to secure fair funding for all schools," she says.

Because Carolyn deals with 54 schools who are all employers, she also has a strong understanding of their accountabilities and challenges, a perspective she believes will be valuable as an employer representative on the Catholic Super board.

But it was knowing the value of financial security on a personal level that motivated Carolyn to stand for the board position.

"I decided to stand for the board of Catholic Super because I have concerns that superannuation is something that people don't think enough about, or regard it as something to think about later, and also that people perceive it as very complex – we may only think about it when the rules change," she says.

"I have three adult children, two of whom are married, and each of them has had at any one time three or four small superannuation funds because of part time jobs. And I think for young people that will only get worse. It's great that young people travel a lot more now, they have a lot more jobs, a number of different employers, but it means they'll

have a lot more forgotten funds that they won't even hear about again and that troubles me."

Carolyn also understands what it is like to worry about your future financial security.

"As a female in my age group who had a 12 year break from the workforce, I have always been more conscious about superannuation. I have had to work pretty hard to make sure I've got sufficient money there that I feel comfortable and that I'll be ok in the future," she says.

"I'm conscious that a lot of women, in particular, haven't got that security because of low superannuation balances. There are a few things like that and I suppose I thought well, if people think I'm good enough to be elected, maybe I can contribute something to this board."

Carolyn has been a member of Catholic Super since she began working in Catholic education. Her husband John is also a member of the fund.

Core Investment Beliefs

The following six governing beliefs summarise how Catholic Super approaches investments with consideration for the profile and demographics of the membership base.

1

Primary focus for superannuation members is long term returns above inflation.

The primary focus is to generate real returns (returns above inflation) to members over the longer term that are attractive in view of the risk taken in delivering them. The investment strategy of Catholic Super's default option Balanced (MySuper) is tailored to the profile of those invested members. For members wanting to take on greater / lower risk there are many other options available.

2

Risk is complex and many-faceted.

When thinking about risk, Catholic Super considers:

- Failure to meet the return objectives set, including;
 - The extent of the potential shortfall in returns
 - The probability of failure
 - The circumstances in which it could occur
- The year-by-year differences in returns along the way to meeting the long term objectives



3

For many pension members, the balance between risk and return differs from that of most superannuation members.

Factors such as individuals' shorter time horizons, decreased risk tolerance, retirement lifestyle expectations and other investments are important in defining investment objectives for pension members. For many pension members, a greater focus on capital preservation is appropriate.

4

Responsible investment can improve outcomes for members

The group considers matters relating to impacts of environmental, social and governance (ESG) issues of underlying investments, as it believes this is likely to improve outcomes for members over time. Our ESG approach was outlined in the May edition of our member newsletter, and can be found online at www.csf.com.au.

5

Focussed management improves outcomes for members

The group takes a focussed approach to asset allocation and investment management as it believes this improves the prospects for generating long term real returns to members. It considers both short and long term factors which influence markets and has a strong focus on cash flow generation and security of capital.

6

The emphasis is on returns after costs

Costs associated with investments make a significant difference to the net real returns given to members. Catholic Super assesses existing and potential investments on the basis of expected returns to members (after all costs) and looks for value for money on this basis. However, excessive cost reduction is avoided as it represents a false economy.

Staff profile:

Mirella Bermudez, Client Services Manager



Mirella Bermudez feels she was always destined to work with people.

Having worked since she was 15 years old, the Client Services Manager for Catholic Super has worked her way up the ladder in every job she's had.

"I'm a very driven person, so when I set myself a goal I always achieve it," she says.

Excellent customer service and communication skills have been central to all the positions she has held. Perhaps this originated when, as a nine-year-old in the early 1990s, Mirella arrived in Australia with her parents and brother and sister from El Salvador, with only the most basic grasp of English.

Her parents chose to settle in Mulgrave, in the south-eastern suburbs of Melbourne, away from the big Latin-speaking communities. Mirella had to learn to communicate – fast.

"At our school, there were only six new arrivals in the whole school, including my brother and I, compared to Springvale which had 60 new arrivals," she explains.

"My parents thought that if we stayed with the Spanish-speaking community, that we would not learn English as well or apply ourselves in our studies, so we socialised with the Latin-speaking community but they also forced us to incorporate ourselves into an English speaking community. Our parents made sure we forced ourselves to learn."

Her parents were proved right. Mirella went on to receive Honours in a Bachelor of Business, Hospitality and Tourism. From there she spent just over a year working on Hamilton Island before moving back to Melbourne, where she has worked in superannuation for the past eight years.

As Client Services Manager, Mirella is anything but deskbound. Mirella spends most of the week out and about, meeting with employers and answering any questions about super payments or new legislative changes.

She also travels to workplaces to meet members one-on-one to perform 'super health checks'.

"A lot of the time I go into workplaces and I can see up to 12 members in a day and we discuss their super and anything that they can do with their accounts," she says.

"I love the ability to help people understand an area which is so complex and always changing. Even if a member understands just one thing extra that they didn't understand before talking to me it makes me feel like I've accomplished something."

Mirella thinks it's this emphasis on educating members that makes Catholic Super stand out from other super funds.

"Other funds do have Client Service Managers but I think they focus more on the employer and developing new business rather than servicing existing members and I think that's one of the things that differentiates us from other funds," she says.

"At Catholic Super we invest in not only educating our current members but we also look at developing the fund to make it attractive to new members as well."

When Mirella is not at work, she is busily planning her January wedding to her partner of three years.

"I love the ability to help people understand an area which is so complex and always changing."

Member statements are coming soon

Member statements will be available in September, outlining your superannuation accounts details at the end of the financial year.

Did you know that you can receive your member statements online?

A great benefit of being subscribed to receive your statements online is that you will receive your statement earlier than you would if it was mailed to you, and there is also a history of your previous member statements held online.

Receiving your statements via post

Have you changed your address recently?

If you have changed your address recently and not informed us of this change, please provide it to us as soon as possible so that we can direct your member statement to your current address.

To change your address, email us at info@csf.com.au with the following information:

- Name
- Date of Birth
- Member Number
- Current address (the one you are at now)
- Previous address (the one you are wanting to change)
- Employer

OR

Call Member Services on **1300 655 002**

Change it via your Member Online account

Changing to online statements

Should you wish to change to online statements you can either go to your Member Online account (or register for one) at www.csf.com.au/memberonline or alternatively call Member Services on **1300 655 002** should you have any difficulty.

Already receiving online statements

Great news, you don't need to do anything. You will be alerted via email that your statement is available to view on Member Online so please make sure your profile has your preferred email.



HAVING JUST ONE SUPER ACCOUNT CAN SAVE YOU MONEY.

If you have multiple superannuation accounts, you are throwing money away on unnecessary management fees. Consolidate your super accounts with Catholic Super and start saving.

- save on excess management fees
- save on excess paperwork
- grow with a strong, long-term investment performance

Visit csf.com.au/consolidate-now

Consolidating your super is just a mouse click away. You can even do it from your desk at work. Just visit the website, follow the simple steps and we'll take care of the rest. If you've got any questions, call Member Services on 1300 655 002.

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to be won each month.
See website for details.

You should read the current Catholic Super Product Disclosure Statement and the associated information available at csf.com.au/super-pds, or call us on 1300 655 002 to obtain a copy before deciding to consolidate your super. Issued by CSF Pty Limited (ABN 30 006 169 286; AFSL 246664), the Trustee of Catholic Superannuation Fund (ABN 50 237 896 957; SPIN CSF0100AU). You should also check if your other fund/s will charge you an exit fee or penalties. Ensure you have transferred or replaced any insurance you have with your other fund/s before closing your other accounts. Visit www.csf.com.au/consolidate-now for full terms. Open to Aus residents. One entry for each successful transfer of funds per month. Competition opens 15/05/2014 at 09:00 AEST and closes 15/11/2014 at 17:00 AEDT. Monthly draws close at 17:00 each month with winners drawn, at the Promoter's premises at 11:00, on 30/6, 31/7, 31/8, 30/9, 31/10, and 30/11. Winners notified by mail and published on www.csf.com.au/consolidate-now. Total prize value is up to \$2,049.00 (incl. GST). The Promoter is CSF Pty Ltd (ABN 30 006 169 286) the Trustee for Catholic Superannuation Fund trading as Catholic Super (ABN 50 237 896 957) of Level 1 535 Bourke Street, Melbourne VIC 3000. NSW Permit No LTPS/14/03234. ACT Permit No. TP 14/01452.



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