



**Annual report 2019**

**An award-winning industry superannuation fund, since 1971 CSF has delivered members invested in the MySuper or default option, an average investment return that exceeds 10% per annum. CSF's approach is to deliver our members maximum returns while taking less risk than many other super funds take, bringing our members financial peace of mind as they prepare for retirement, as set out in this 2019 Annual Report.**

This Annual Report was issued by Togethr Trustees Pty Ltd (ABN 64 006 964 049; AFSL 246383) (the Trustee), the trustee of MyLifeMyMoney Superannuation Fund (ABN 50 237 896 957; SPIN CSF0100AU) (the Fund). Please note that during the 2018/2019 year, CSF Pty Limited (ABN 30 006 169 286; AFSL 246664) was the trustee of the Fund, but since 21 October 2019, the trustee is now Togethr Trustees Pty Ltd. It provides important details about the Fund's activities and investments for the financial year ended 30 June 2019. A summary of the benefits and features of the Fund can be found in the Product Disclosure Statements available upon request. The information contained in this Annual Report is about the Fund and is general information only. It has been prepared without taking into account your personal investment objectives, financial situation or needs. It is not intended to be, and should not be construed in any way as, investment, legal or financial advice. We recommend you assess your own financial situation before making a decision based on the information contained in this Annual Report. To help you with your decision-making you may wish to seek assistance from a qualified financial adviser before making any changes to your financial affairs. Neither the Trustee, nor any of the Trustee's service providers, guarantees the performance of the Fund or any particular rate of return. Past performance is not a reliable indicator of future performance. The Trustee does not accept any liability, either directly or indirectly, arising from any person relying, either wholly or partially, upon any information shown in, or omitted from, this Annual Report. Under no circumstances will the Trustee be liable for any loss or damage caused by a user's reliance on information obtained from reading this Annual Report. The information in this Annual Report is correct as at the date of publication. In the event of a material change occurring to any information contained in this Annual Report, the Trustee will notify existing members in writing within the timeframes required by law. Where a change to information in this Annual Report is not materially adverse, the Trustee will provide updated information online. You may request a paper copy of any change, which will be provided free of charge.

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# Fund highlights

## Leading the way

On 21 October 2019, CSF formed a joint venture with Equip, another top performing industry superannuation fund. From that date, both funds are governed by one skills-based board of 12 directors. CSF and Equip will together manage funds for 150,000 members with an aspiration to be a much larger entity by 2025.

## Super, advice and banking

We're the only industry super fund that offers super, advice and banking all under the one roof, a model designed to boost our members' wealth.

## Service you can count on



**Tonya Timpano**  
Head of Service Experience –  
Member and Employer

Investing in super can be confusing for some investors, but it doesn't need to be. We break down and unpack members' questions that come via our in-house Service Centre. In fact, we handled more than 113,000 member contacts during 2019, including explaining the government's Protecting Your Super legislation – changes designed to help members keep more of their hard-earned dollars.



**92%**

Of members interviewed by our in-house service centre would recommend CSF to family and friends.

## Member experience

New live web chat.  
Realtime member messaging service.



# Employer support

Our super experts helped our employers to maximise their employees' (our members) retirement savings. We also explained legislative updates and assisted payroll staff to manage superannuation payments. In the 2020 financial year we'll further innovate as our employers' trusted superannuation partner.



**John Cotter**  
General Manager –  
Business Development

# 75,000

The number of our members and pensioners who care for and educate millions of Australians every day in schools, hospitals, aged care and community services.



## A secure future starts with a plan...



**Craig Voyer**  
Head of Advice

An independent review\* of our MyLife MyAdvice - or CSF's financial planning arm - found that our members who seek expert retirement planning help are in a better position to afford a secure future. And we only charge what is a fair reflection of the value of the advice received, as required by legislation. Our salaried advisors receive no bonuses and no commissions. Ever. They also meet yearly professional development requirements.

\*Strategic Outsource Solutions, August 2019

## Ethical banking

Our MyLife MyFinance bank is a challenger to Australia's big banks. We pay no commissions. Our salaried staff receive no bonuses. We also cover our customers' refinancing costs. The bank's lending growth surged by 42% in 2019. The deposit book is now well in excess of \$100 million. A technology review and a new core banking and payments platform will, in 2020, bring customers an improved mobile and internet banking experience and debit card.



**Mark Sawyer**  
General Manager –  
MyLife MyFinance, CSF's  
wholly owned bank

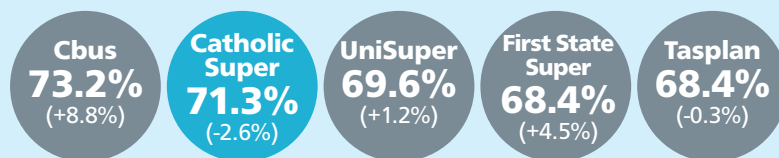
# Awards and rankings

CSF's returns are above the industry average over a 5, 7, 10, 15 and 20-year period\*, highlighting consistent and strong long-term returns and our history of winning awards



Awarded in February 2019,  
**Roy Morgan** Customer Satisfaction Award for Industry Super Fund of the Year.

## Percentage of members who are very satisfied with financial performance



( ) = % point change from July 2018

Roy Morgan research shows that CSF members rate the fund's financial performance

**CSF** shared the podium as a top two super fund in a survey capturing its members satisfaction with the fund's financial performance over the six months to July 2019.



2018 **Roy Morgan** Satisfaction with Financial Performance of Superannuation Top 10 Performers – Retail and Industry Super Funds.



2019 **Canstar** 5-star rating for Outstanding Value superannuation returning a high 10.49% over 7 years for members up to 50 years, with a balance of \$100,000-\$250,000.



2019 platinum **SuperRatings**.



2018 **SelectingSuper** award for Best Performance – Australian Equities, Awarded in the 2019 financial year.

\*Source: SuperRatings Fund Crediting Rate Survey

# Board Chair's report

## Future growth plan for members

Superannuation funds have one sole purpose: to maximise members' retirement savings. The 2019 year saw two critical CSF changes to benefit members. We negotiated lower fees (page 18) charged by the experts that manage our members' investment options. We also sought regulatory approval to capture future growth by partnering with Equip - another top performing, award-winning fund.

## \$26 billion Joint Venture with Equip

The joint venture between CSF and Equip will bolster the funds we manage from \$10 billion to \$26 billion. Importantly, the merger preserves our socially responsible investing values (page 9) and brand while delivering strong and consistent investment returns to our members – mostly teachers, nurses and aged care workers – who care for and educate millions of Australians every day. The venture will bring reduced supplier and fund administration expenses. In September 2019 Scott Cameron, the former Chief Executive of Computershare in Australia and New Zealand, was appointed CEO of both funds. The Joint Venture received regulatory approval on 21 October 2019.

## Award-winning fund

CSF was in early 2019 ranked by Australia's leading financial comparison website, Canstar, as one of the six top super funds for its combination of investment returns, fees, insurance options and access to advice and information. The fund also topped a Canstar league table, returning a high 10.49 per cent over seven years for members up to 50 years old with a balance of \$100,000 - \$250,000. CSF was also ranked number one in Roy Morgan's Satisfaction with Financial Performance of Superannuation Top 10 Performers – Retail and Industry Funds, January 2019.

## Super, advice and banking benefits

Unique to CSF, members have competitively priced savings and loans backed by exceptional customer service through our 100% owned bank, MyLife MyFinance. Our banking proposition is clearly resonating with our members, demonstrated by deposit balances surpassing \$100 million during the financial year. Our Australia-wide planners deliver value-for-money advice through all life stages, spanning budgeting to retirement planning, Centrelink and aged care.



**Danny Casey**  
Board Chair

## Royal Commission

CSF welcomed the Financial Services Royal Commission inquiry. Customers and members have every right to expect high standards and ethical behaviour from banks, insurers and superannuation funds. We acknowledge the critical importance of being more accountable to both members and regulators. To that end, CSF voluntarily put additional controls in place and commissioned independent reviews of our key policies. It's in our members best interests to demonstrate that our internal checks and balances have been reviewed by external experts.

## Thank you

This is the final annual report issued by CSF Pty Ltd after forming a merged trustee board with Equip in October 2019. I express my appreciation to our retiring directors Chris Harkin, Marcia Clohesy, Sheree Press, Greg Quinn, Paul Murphy and John Connors. Their dedicated service strengthened CSF to the benefit of members. The remaining directors will serve under the single trustee model shared between CSF and Equip, Together Trustees. Most importantly, I would like to thank all our members for entrusting us with your financial future. We believe in what we do and will continue to act in your best interests. The CSF and Equip tie-up has many benefits for our 150,000 combined members. It has been my privilege to serve on your behalf as the Chair of the CSF Board.

A handwritten signature in white ink, appearing to read 'Danny Casey', set against a dark teal background.

**Danny Casey**  
Board Chair

**"In 2019 we partnered with Equip, another award-winning fund. The joint venture will grow our members assets from \$10 billion to \$26 billion"**

# Our performance



**Anna Shelley**  
**Chief Investment Officer**

## What happened with markets this year?

In summary, global share markets fell quite significantly for the first half of the 2019 financial year and then bounced back in the final months. So although the returns at the end of the year improved, they masked a lot of volatility throughout the year. This proved to be a really tough environment for active investment managers (or managers who aim to deliver higher returns than the market yields).

Most of our Investment options experienced lower returns this year than in prior years as our managers struggled in the choppy markets, particularly our Australian shares managers. We have some confidence that they will bounce back, however, as our

**Australian Shares option is still the no.1 performer when compared with other funds' local shares performance over 10 and 15 year periods.**

If they do bounce back, then there will be a positive effect on our Balanced option and all our Diversified options.

Our best performer this year was the PositiveIMPACT option (page 9), which returned 10.7% (after fees and taxes).

## How are we positioned?

We have less of your money in shares than we normally do across all the Investment options (except for shares as they are always 100%) because we are concerned about global risks including the ongoing Trade War between the US and China (which is also very detrimental for Europe), political risks like Brexit in the UK, and stretched valuations in some areas of share markets like technology stocks. Bond yields are also at historically low levels. Hence, we have lower weights to bonds than we normally do in our diversified portfolios. We have also shortened our duration across our fixed income portfolio. This means that we are less sensitive to interest rate movements. This will act to preserve your capital if interest rates unexpectedly rise.

## Award-winning CSF – growing your retirement savings

At a time when we're being urged to choose a top performing superannuation fund to afford a comfortable retirement, CSF has been awarded a five-star rating for outstanding value from Canstar – Australia's biggest financial comparison website. Long-term investing yields better returns.

**CSF returned a high 10.49 per cent investment return over seven years for members up to 50 years old with a balance of \$100,000 to \$250,000.**

## Leading the way with seven-year returns

Canstar crunched the numbers for the best performing super funds on its database for annual investment returns over seven years, three years and one year to 31 December 2018.

We're mindful that superannuation is a long-term proposition. CSF's younger members – those aged up to and in their 40s – have an aggressive asset allocation with the potential to pay off with more time in the market as there's greater scope to grow their savings.



## Lifestyle investment options

We serve members at both ends of the age spectrum. For members aged 50 years and older we change our market-based settings (page 12). By that life stage our goal is to continue to grow members' capital and to also increase the focus on preservation, by putting their funds in our more balanced investment option.

## Strong returns over the long term

Since the inception of CSF's Balanced option (our MySuper and default option) in 1971

**the fund has delivered an average investment return that exceeds 10% per annum.**

These strong, long term fund growth outcomes mean that our members can expect to enjoy a comfortable living standard in retirement.

## Pensions

A number of our options have performed well for our retirees in the space of several years. Our dedicated pension options, RetirePlus and RetireStable, are designed to protect against risks that can present before and during retirement. Examples of this include market changes and inflation exposure. We invest with different investment managers in this space with the aim of providing some protection in the event of equity market falls. We encourage our retirees to seek financial advice through our financial planning arm that takes into account their lifecycle and personal goals.

## Boosting retirement savings

At CSF, we strive to deliver our members maximum returns while taking less risk than many other super funds take. We want to grow your retirement savings while avoiding volatility that could reduce our members money when they most need it. We take this approach across all the diversified options we offer bringing more certainty that our members' money will grow over their working career.

## Top investment performance, less risk

Independent research house SuperRatings analyses the top 50 super funds to find the funds that deliver high returns with lower levels of risk. It ranks all the funds from top to bottom. In great news for CSF members, over seven years to 30 June 2019 CSF delivered the following great outcomes:

### Aggressive option

# #1

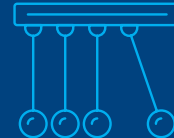
of a list of 25 funds



### Moderately Aggressive and Conservative Balanced options

# #2

of a list of 50 funds



### Conservative option

# #3

of a list of 50 funds



Source: SuperRatings Superannuation Volatility and risk-adjusted Return Survey June 2019.

# How we invest

We follow a sound investing framework. Guiding principles sit behind the fund's investment strategies.

## Long-term gets the returns

Put simply, the fund's primary investment focus is to achieve optimal long-term net returns as explained below. We encourage our members to adopt a forward-looking snapshot as to how their money is invested.

That's why we advise our members to remain focused on following our long-term objectives. Take the example of our pension members. Many have turned their attention to maximising how they will live off their lifetime super savings. At this stage in their investing cycle it's often a matter of weighing up risk and return.

Contrasting with our young members, many pension members will have:

- A shorter-term time horizon than younger members
- A greater focus on preserving their money (capital)
- A willingness to sacrifice some return in exchange for stability

## Superannuation pays off over time

Investing for your future is a sound plan. Superannuation is influenced by how well your money performs. We can track savings' growth over time based on returns and fees, your employer's requirement to pay into your super fund and the extra contributions that you might make to top up your retirement nest egg. We aim to generate income for our super and pension members (above inflation or the increase in the price of goods) - after fees, taxes and other costs.

**Over the past 15 years, CSF has, relative to the average, delivered an excess net benefit of \$38,803 to a member's account with a starting balance and salary of \$50,000, driven by excess earnings of \$33,678 and fee savings of \$5,125 (Source: SuperRatings Benchmark Report 2019)**

## How we guard against risk


The main risk for members is not meeting our long-term objectives. Risk is complex. That's why the fund's board considers risk at an overall portfolio level and across the various options we offer taking into account the returns and shortfalls that might occur along the way. At CSF, we try to deliver our members maximum returns while taking less risk than 'the average' super funds take. We want to increase your retirement savings. But we are also mindful that you don't want to have a really bumpy ride along the way or lose a big chunk of your money as you move through your career. We take this approach across all the diversified options we offer. You choose the option and we deliver the highest return, lowest risk outcome that we can in that category - more certainty that your money will grow while you work.

## Making smart financial moves while staying true to a set of values

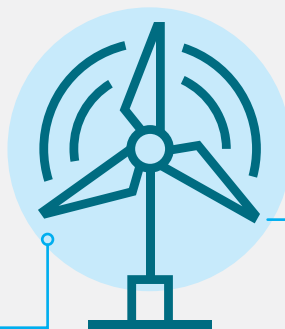
Across all of our investments CSF seeks to be a responsible investor. We work behind the scenes to minimise our members' non-financial risks by keeping a close eye on the companies that we invest in. This includes how they treat their employees, customers, consumers, suppliers and even their



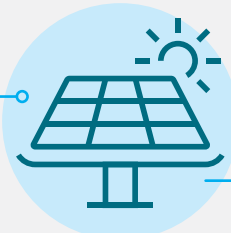
**2005 CSF** became one of the first Australian super funds to sign the Carbon Disclosure Project.



**2006 CSF** was one of the first to adopt the Principles of Responsible Investment (PRI)



We invest in a variety of **transport and infrastructure facilities**, including **wind farms** and **solar farms**



regard for managing resources. Staying across environmental, social and governance risks – also called ESG in short – is the right thing to do on many fronts. Research is increasingly showing that being aware of these factors can reduce portfolio risk, generate competitive and sustainable investment returns, while members have greater peace of mind that these companies are deserving of their hard-earned dollars. In summary, we look to make smart financial moves for our members while staying true to a set of values.

### **We assess all investments against NET returns – after all fees, charges and costs**

We often hear the term ‘member best interest’. Members’ best interests are met by determining ‘real’ or net investing returns after costs. It’s a more transparent way of reporting how your money performs over time. The board 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.

### **Responsible investing**

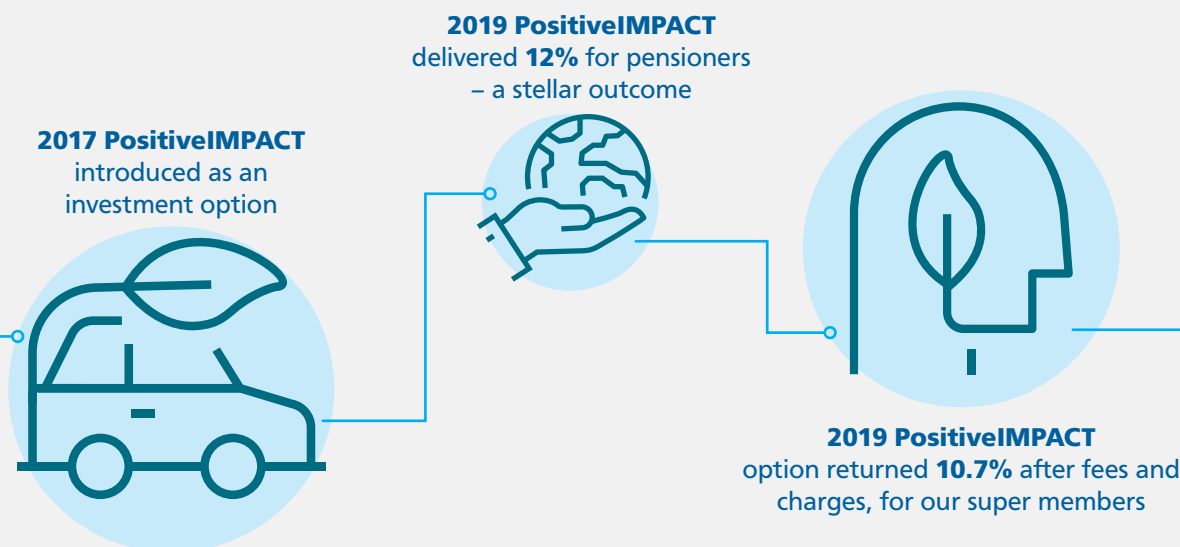
Safeguarding our members future by investing well makes sense. Across all of its investments CSF seeks to be a responsible investor. It enhances long-term results. We know that some members are concerned about the environment and social economy where they live. They want to invest their money with companies that care about the use of natural resources, carbon emissions and operate well-run businesses that align with their ethical and moral values. In 2006, CSF became one of the first super fund’s to sign the Principles for Responsible Investment.

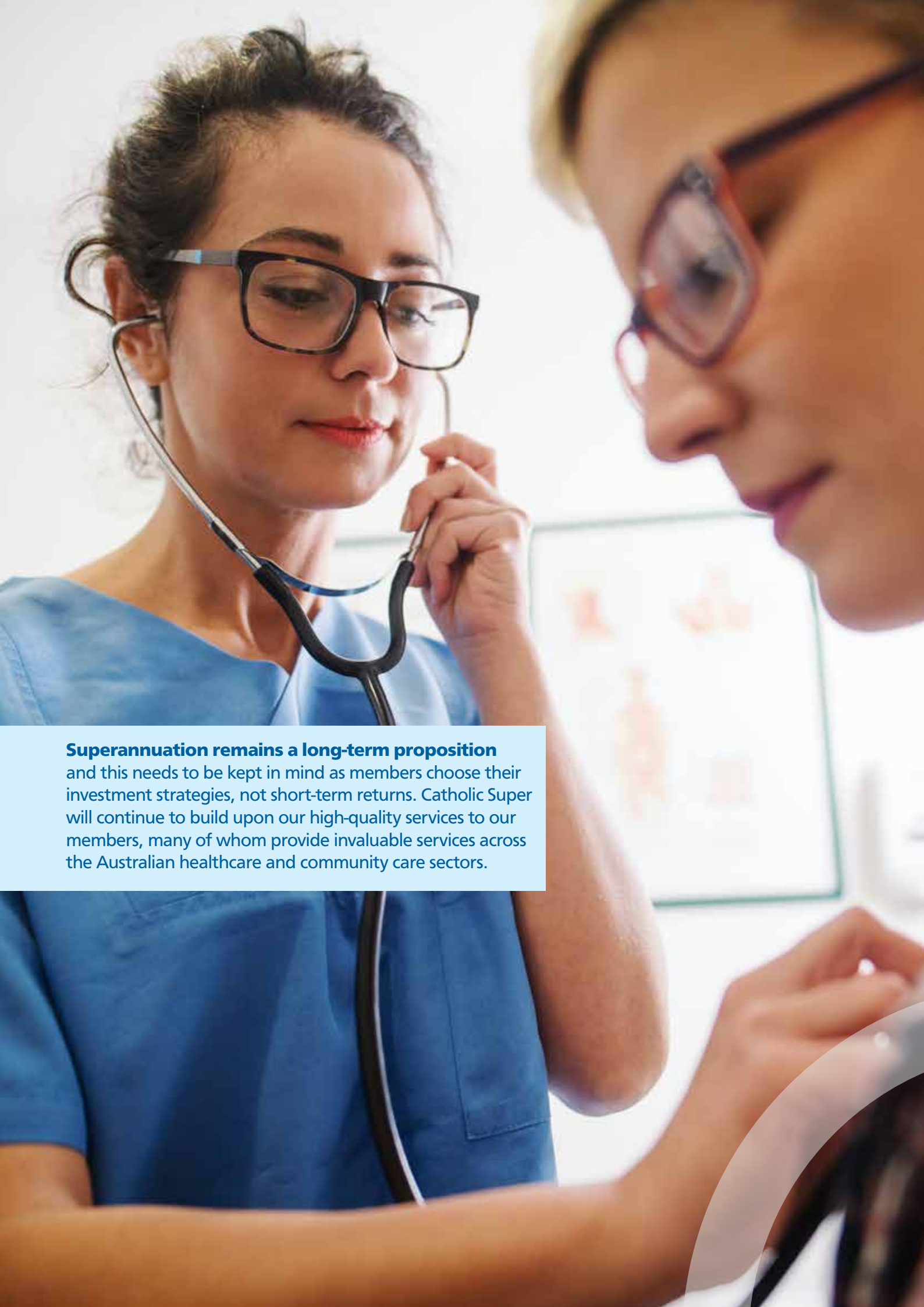
Over the next 10 years we also adopted our own responsible investment and climate change policies – making them available to members.

We understand that some members want to invest a greater proportion of their savings in assets that align with their beliefs. The PositiveIMPACT option was introduced in 2017 for those members. It’s invested across listed equities as well as unlisted investments including property, infrastructure and private equity.

### **PositiveIMPACT**

Performance has been very encouraging. PositiveIMPACT has outperformed conventional options quite significantly since inception, though that cannot be expected to occur every year. Investors should be aware that PositiveIMPACT is a relatively high risk option, with a weighting of over 50% in International listed shares, and generally growth oriented investments in infrastructure and private equity. PositiveIMPACT does have a different portfolio and, more concentrated investments. This means that the option’s performance will often differ somewhat from conventional options with a similar risk profile.





**Superannuation remains a long-term proposition**

and this needs to be kept in mind as members choose their investment strategies, not short-term returns. Catholic Super will continue to build upon our high-quality services to our members, many of whom provide invaluable services across the Australian healthcare and community care sectors.

# More than super – ethical banking

We're the only Australian industry fund that offers super, advice and banking all under one roof.

Our MyLife MyFinance bank has highly competitive products and services, provides exceptional customer service and is a trusted partner to members of the fund.

## Providing real value

Our mission is to deliver our super fund members better value through preferential lending rates and no upfront or ongoing fees. We also cover our members' costs to refinance their existing home lending. And we offer a range of highly competitive term deposits and a fee-free online savings account.

## Easy-to-understand savings and loans. No hidden fees. No surprises

We keep it simple with our online savings account, attractive term deposits, home loans, investment loans and personal lending. Fee-free banking comes with our mobile app and internet banking. There are no catches. It's banking like it should be.

## Personal service

All of our customers have their own personal banker. Our first-time homebuyers benefit from the high-touch service we offer. No matter what age group or length of time with the bank, our customers enjoy the same level of service – such as sitting down with us to discuss strategies including saving for a home loan, or how to best utilise the benefits of an offset account.

## No commissions. No bonuses

We put members' needs first by acting ethically and fairly. We don't have brokers and we don't pay or receive commissions or bonuses. Our bankers are committed to educating our members and providing a service. They understand what's important to our valued members and how they can help them meet their financial goals – such as paying down their loans sooner to free up more funds for retirement.

## Accredited bankers committed to fair banking

The benefits of education and transparency are clear to our members. All our bankers are professionally trained. We want everyone – members and the wider public – to know that we have an ethical mindset and are committed to fairer banking.

## A challenger to the bigger banks

We're working hard to ensure everything we do is designed to support our members and we're providing a real challenge to the bigger banks. Independent research<sup>^</sup> shows that our approach to banking is working with our members saying they'd recommend us to their family and friends ahead of the majors.

<sup>^</sup>March 2019 Sagacity research: How likely would you be to recommend MyLife MyFinance bank to family and friends?



# Investment objectives and strategies

We want to make superannuation easy for you. If you don't want to choose your investment option, your super will automatically be invested using our Default Strategy. It's quite simple. We'll invest your super according to your age.

For example, before you turn 51, we'll invest your super into our Aggressive option, then gradually move your funds to our Balanced MySuper option as set out below.

under 51	after 51	at 52	53 and over
100% of your super would be invested in the <b>Aggressive</b> option	1/3 of your money from the <b>Aggressive</b> option is switched to the <b>Balanced</b> option	1/2 of the remaining money from the <b>Aggressive</b> option is switched to the <b>Balanced</b> option.	Your remaining <b>Aggressive</b> option funds move to the <b>Balanced</b> option. <b>All your money will then be invested in the Balanced option</b>

## Managed Choice options

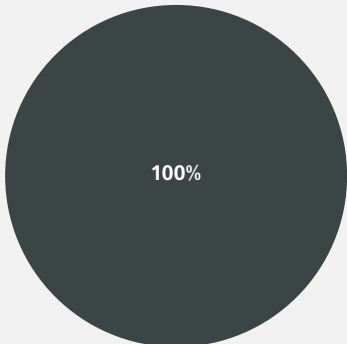

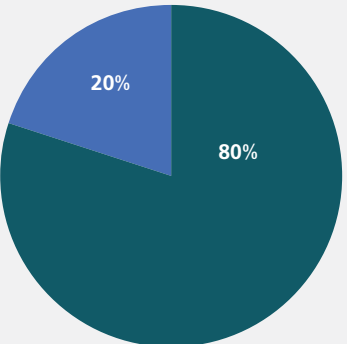
Investment objectives	Aggressive	Moderately Aggressive	Balanced
<b>Return objective</b>	CPI + 4.0% over rolling 10 years	CPI + 3.5% over rolling 10 years	CPI + 3.0% over rolling 10 years
<b>Standard Risk Measure</b>	Estimated number of negative annual returns over any 20 year period, 4 to less than 6 years.	Estimated number of negative annual returns over any 20 year period, 3 to less than 4 years.	Estimated number of negative annual returns over any 20 year period, 3 to less than 4 years.
<b>Risk band and label</b>	Risk band 6, High	Risk band 5, Medium to High	Risk band 5, Medium to High
<b>Strategic asset allocation</b>	<ul style="list-style-type: none"> <li>● Australian Shares</li> <li>● Overseas Shares</li> <li>● Property</li> <li>● Private Equity</li> <li>● Growth Alternatives</li> <li>● Infrastructure</li> <li>● Defensive Alternatives</li> </ul>	<ul style="list-style-type: none"> <li>● Australian Shares</li> <li>● Overseas Shares</li> <li>● Property</li> <li>● Private Equity</li> <li>● Growth Alternatives</li> <li>● Infrastructure</li> <li>● Defensive Alternatives</li> <li>● Fixed Interest</li> <li>● Cash</li> </ul>	<ul style="list-style-type: none"> <li>● Australian Shares</li> <li>● Overseas Shares</li> <li>● Property</li> <li>● Private Equity</li> <li>● Growth Alternatives</li> <li>● Infrastructure</li> <li>● Defensive Alternatives</li> <li>● Fixed Interest</li> <li>● Cash</li> </ul>

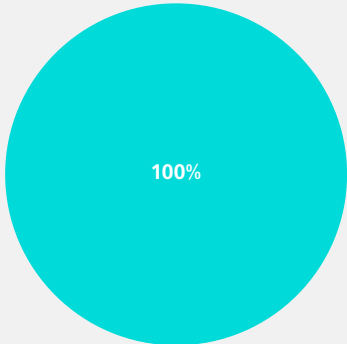
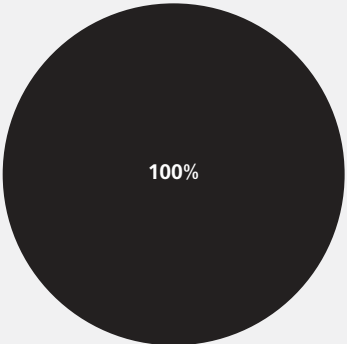
Investment objectives	Conservative Balanced	Moderately Conservative	Conservative
Return objective	CPI + 2.75% over rolling 10 years	CPI + 2.5% over rolling 10 years	CPI + 2% over rolling 10 years
Standard Risk Measure	Estimated number of negative annual returns over any 20 year period, 2 to less than 3 years.	Estimated number of negative annual returns over any 20 year period, 2 to less than 3 years.	Estimated number of negative annual returns over any 20 year period, 1 to less than 2 years.
Risk band and label	Risk Band 4, Medium	Risk Band 4, Medium	Risk Band 3, Low to Medium
Strategic asset allocation	<ul style="list-style-type: none"> <li>● Australian Shares</li> <li>● Overseas Shares</li> <li>● Property</li> <li>● Private Equity</li> <li>● Growth Alternatives</li> <li>● Infrastructure</li> <li>● Defensive Alternatives</li> <li>● Fixed Interest</li> <li>● Cash</li> </ul>	<ul style="list-style-type: none"> <li>● Australian Shares</li> <li>● Overseas Shares</li> <li>● Property</li> <li>● Growth Alternatives</li> <li>● Infrastructure</li> <li>● Defensive Alternatives</li> <li>● Fixed Interest</li> <li>● Cash</li> </ul>	<ul style="list-style-type: none"> <li>● Australian Shares</li> <li>● Overseas Shares</li> <li>● Property</li> <li>● Infrastructure</li> <li>● Defensive Alternatives</li> <li>● Fixed Interest</li> <li>● Cash</li> </ul>

Investment objectives	PositiveIMPACT	RetirePlus	RetireStable
Return objective	CPI + 3% over rolling 10 years	CPI + 2.5% over rolling 10 years	CPI + 2% over rolling 10 years
Standard Risk Measure	Estimated number of negative annual returns over any 20 year period, 3 to less than 4 years.	Estimated number of negative annual returns over any 20 year period, 2 to less than 3 years.	Estimated number of negative annual returns over any 20 year period, 1 to less than 2 years.
Risk band and label	Risk Band 5, Medium to High	Risk Band 4, Medium	Risk Band 3, Low to Medium
Strategic asset allocation	<ul style="list-style-type: none"> <li>● Overseas Shares</li> <li>● Property</li> <li>● Private Equity</li> <li>● Infrastructure</li> <li>● Defensive Alternatives</li> <li>● Cash</li> </ul>	<ul style="list-style-type: none"> <li>● Australian Shares</li> <li>● Overseas Shares</li> <li>● Property</li> <li>● Growth Alternatives</li> <li>● Infrastructure</li> <li>● Defensive Alternatives</li> <li>● Fixed Interest</li> <li>● Cash</li> <li>● Inflation Aware</li> </ul>	<ul style="list-style-type: none"> <li>● Australian Shares</li> <li>● Overseas Shares</li> <li>● Property</li> <li>● Growth Alternatives</li> <li>● Infrastructure</li> <li>● Defensive Alternatives</li> <li>● Fixed Interest</li> <li>● Cash</li> <li>● Inflation Aware</li> </ul>

# Investment objectives and strategies

## Build Your Own options

Investment objectives	Australian Shares	Overseas Shares	Property
<b>Return objective</b>	CPI + 4% over rolling 10 years	CPI + 4% over rolling 10 years	CPI + 3% over rolling 10 years
<b>Standard Risk Measure</b>	Estimated number of negative annual returns over any 20 year period, 4 to less than 6 years.	Estimated number of negative annual returns over any 20 year period, 4 to less than 6 years.	Estimated number of negative annual returns over any 20 year period, 3 to less than 4 years.
<b>Risk band and label</b>	Risk Band 6, High	Risk Band 6, High	Risk Band 5, Medium to High
	● Australian Shares	● Overseas Shares	● Property ● Listed property
<b>Strategic asset allocation</b>			

Investment objectives	Diversified Fixed Interest	Cash
<b>Return objective</b>	CPI + 2% over rolling 10 years	To achieve positive returns in all monthly periods
<b>Standard Risk Measure</b>	Estimated number of negative annual returns over any 20 year period, 1 to less than 2 years.	Estimated number of negative annual returns over any 20 year period, less than 1 year.
<b>Risk band and label</b>	Risk Band 3, Low to Medium	Risk Band 1, Very Low
	● Fixed Interest	● Cash
<b>Strategic asset allocation</b>		



# Investment returns

The tables below show the annual returns of our investment options over the longer term and the last financial year for both super and pension accounts. Returns shown are after the deduction of all fees and taxes as at 30 June 2019. The actual returns credited to a member's account balance will be influenced by the timing of payments into and out of the account, allowing for contributions, taxes, fees and switches between investment options.

## Financial year returns – Super

Option	1 year (% p.a.)	3 years (% p.a.)	5 years (% p.a.)	7 years (% p.a.)	10 years (% p.a.)
Aggressive	5.4%	10.3%	9.7%	11.8%	10.5%
Moderately Aggressive	5.4%	9.6%	9.1%	10.7%	9.7%
Balanced	5.0%	8.8%	8.4%	9.7%	8.9%
Conservative Balanced	4.9%	7.9%	7.6%	8.8%	N/A
Moderately Conservative	4.4%	6.6%	6.5%	7.5%	7.3%
Conservative	3.6%	5.4%	5.6%	6.3%	6.3%
PositiveIMPACT	10.7%	N/A	N/A	N/A	N/A
RetirePlus	5.1%	6.2%	6.4%	7.7%	N/A
RetireStable	4.4%	5.3%	N/A	N/A	N/A
Australian Shares	3.5%	12.4%	10.5%	12.7%	11.1%
Overseas Shares	8.4%	12.3%	11.2%	13.9%	10.8%
Property	8.2%	8.7%	9.6%	9.4%	9.3%
Diversified Fixed Interest	5.5%	4.2%	4.2%	4.3%	4.8%
FlexiTerm Deposit	2.1%	2.2%	2.4%	N/A	N/A
Cash	2.0%	2.1%	2.2%	2.5%	3.0%

## Financial year returns – Pensions

Option	1 year (% p.a.)	3yrs (% p.a.)	5yrs (% p.a.)	7yrs (% p.a.)	10yrs(% p.a.)
Aggressive	5.8%	11.1%	10.6%	13.0%	11.5%
Moderately Aggressive	6.0%	10.5%	10.0%	11.9%	10.8%
Balanced	5.3%	9.6%	9.3%	10.9%	9.9%
Conservative Balanced	5.4%	8.7%	8.5%	9.9%	N/A
Moderately Conservative	4.9%	7.4%	7.4%	8.5%	8.3%
Conservative	4.1%	6.2%	6.4%	7.2%	7.2%
PositiveIMPACT	12.0%	N/A	N/A	N/A	N/A
RetirePlus	5.8%	7.0%	7.2%	8.7%	N/A
RetireStable	5.0%	5.9%	N/A	N/A	N/A
Australian Shares	3.6%	12.4%	10.5%	13.1%	11.6%
Overseas Shares	9.4%	13.9%	12.7%	15.9%	12.8%
Property	9.1%	9.6%	10.6%	10.3%	10.1%
Diversified Fixed Interest	6.3%	5.0%	4.9%	5.0%	5.7%
FlexiTerm Deposit	2.5%	2.7%	2.8%	N/A	N/A
Cash	2.3%	2.4%	2.6%	2.9%	3.5%

# How returns are allocated

## Unit prices

The Fund uses a 'unitised' system which was introduced on 1 July 2003.



## Fund reserves

Annual returns for each investment option are set closely in line with the actual investment return achieved on that option for the period concerned. However, a small reserve (generally less than 1% of assets) is maintained. The primary purpose of the reserve is for the Trustee to efficiently meet and mitigate the cost of an unexpected event on members and/or the Fund.

The reserve is a contingency reserve and is for short term funding requirements such as the rectification of errors where such costs are not met by third parties, or are recoverable from third parties or insurance but only at a much later stage. The reserve may also assist in meeting excesses applicable under insurance or indemnity arrangements.

2018/2019  
**\$64.5m**

2017/2018  
**\$41.5m**

2016/2017  
**\$63.6m**

2015/2016  
**\$54.2m**

**A fund open to all Australians, CSF's members often work in schools, hospitals, community services and the welfare sector. Its members educate and care for millions of people every day.**



# Investment management fees

## Fee reduction

In 2019 we lowered the cost of fees paid to our investment managers who deliver investment returns.

As an example, if a member has invested \$50,000 in our Balanced (MySuper) option, their total yearly fees and costs will reduce by \$140.

To find out more about the new investment fees, see the Fees and Other Costs guide, located online at [csf.com.au/pds](http://csf.com.au/pds)

If you're not sure which option(s) you're invested in, you can find out by logging in to MyLife Online at [csf.com.au](http://csf.com.au). Go to the Investments tab and find your investment option(s) under Your Investments.

The table below lists investment management fees in the year to 30 June 2019, showing the equivalent dollar cost for every \$10,000 invested as well as the percentage.

The base fee includes the cost of investing in the Fund's assets, investment managers' rates together with asset allocation, custodian and investment advice.

Some investment managers charge performance fees when they exceed agreed performance benchmarks. If a manager does not meet agreed benchmarks, then no performance fee will be paid.

Managed Choice options	Percentage			Equivalent cost per \$10,000		
	Base fee	Performance fee	Total fee	Base fee	Performance fee	Total fee
Aggressive (MySuper)	0.69%	0.12%	0.81%	\$69	\$12	\$81
Moderately Aggressive	0.66%	0.10%	0.76%	\$66	\$10	\$76
Balanced (MySuper)	0.65%	0.11%	0.76%	\$65	\$11	\$76
Conservative Balanced	0.60%	0.07%	0.67%	\$60	\$7	\$67
Moderately Conservative	0.54%	0.05%	0.59%	\$54	\$5	\$59
Conservative	0.47%	0.04%	0.51%	\$47	\$4	\$51
PositiveIMPACT	0.72%	0.41%	1.13%	\$72	\$41	\$113
RetirePlus	0.58%	0.00%	0.58%	\$58	\$0	\$58
RetireStable	0.54%	0.00%	0.54%	\$54	\$0	\$54

Build Your Own options	Percentage			Equivalent cost per \$10,000		
	Base fee	Performance fee	Total fee	Base fee	Performance fee	Total fee
Australian Shares	0.49%	0.13%	0.62%	\$49	\$13	\$62
Overseas Shares	0.60%	0.25%	0.85%	\$60	\$25	\$85
Property	0.64%	0.00%	0.64%	\$64	\$0	\$64
Diversified Fixed Interest	0.47%	0.00%	0.47%	\$47	\$0	\$47
FlexiTerm Deposit*	0.19%	0.00%	0.19%	\$19	\$0	\$19
Cash	0.06%	0.00%	0.06%	\$6	\$0	\$6

\* FlexiTerm Deposit closed to new investments on 1 March 2016

# Where your money was invested

The table below shows the investment managers appointed by the Fund for each asset class as at 30 June 2019. These managers may change from time to time.

Asset Class	Investment Managers
Australian Shares	<ul style="list-style-type: none"> <li>→ Allan Gray Australia</li> <li>→ Alliance Bernstein</li> <li>→ Cooper Investors</li> <li>→ Firetrail Investments</li> <li>→ L1 Capital</li> <li>→ Ophir Asset Management</li> <li>→ Paradise Investment Management</li> <li>→ Plato Investment Management</li> <li>→ Realindex Investments</li> <li>→ Renaissance Asset Management</li> </ul>
Overseas Shares	<ul style="list-style-type: none"> <li>→ Acadian Asset Management</li> <li>→ Copper Rock Capital Partners</li> <li>→ Generation Investment Management</li> <li>→ GuardCap Asset Management</li> <li>→ Intermede Investment Partners</li> <li>→ Janus Henderson Investors</li> <li>→ Northcape Capital</li> <li>→ Orbis Investment Advisory</li> <li>→ Realindex Investments</li> <li>→ Stewart Investors</li> <li>→ Thompson Horstmann and Bryant</li> </ul>
Property	<ul style="list-style-type: none"> <li>→ AMP Capital Investors</li> <li>→ Barwon Healthcare Property Fund</li> <li>→ Goodman Australia Industrial Fund</li> <li>→ GPT Wholesale Office Fund</li> <li>→ Invesco Real Estate</li> <li>→ Lend Lease Real Estate Investment</li> <li>→ Resolution Capital</li> </ul>
Fixed Interest	<ul style="list-style-type: none"> <li>→ AMP Capital Investors</li> <li>→ Apollo Management</li> <li>→ Revolution Asset Management</li> <li>→ Industry Funds Management</li> <li>→ Members Equity</li> <li>→ Metric Credit Partners</li> </ul>
Cash	<ul style="list-style-type: none"> <li>→ Macquarie Funds Management</li> </ul>
Term deposits	<ul style="list-style-type: none"> <li>→ Internally managed</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>→ Copenhagen Infrastructure Partners</li> <li>→ Industry Funds Management</li> <li>→ Infrastructure Capital Group</li> <li>→ Lighthouse Infrastructure</li> <li>→ Macquarie Funds Management</li> <li>→ Macquarie Specialised Asset Management</li> <li>→ Quinbrook Infrastructure Partners</li> </ul>
Defensive Alternatives	<ul style="list-style-type: none"> <li>→ Apollo Management</li> <li>→ Ardea Investment Management</li> <li>→ BroadRiver Asset Management</li> <li>→ Industry Funds Management</li> <li>→ Morrison and Co</li> </ul>
Growth Alternatives	<ul style="list-style-type: none"> <li>→ Apollo Management</li> <li>→ Bentham Asset Management</li> <li>→ Campus Living</li> <li>→ Edelweiss Alternative Asset Advisors</li> <li>→ Generation Investment Management</li> <li>→ Japara Healthcare</li> <li>→ Macquarie Agricultural Funds Management</li> <li>→ Monroe Capital Management</li> <li>→ Oaktree Capital Management</li> <li>→ QEII Car Park Portfolio</li> <li>→ Shenkman Capital Management</li> <li>→ Tangency Capital</li> </ul>
Private Equity	<ul style="list-style-type: none"> <li>→ Continuity Capital Partners</li> <li>→ Global Energy Efficiency and Renewable Energy Fund</li> <li>→ HarbourVest Partners Limited</li> <li>→ LGT Capital Partners</li> <li>→ Pantheon Ventures Limited</li> <li>→ Siguler Guff</li> </ul>
Currency	<ul style="list-style-type: none"> <li>→ State Street Global Advisors</li> </ul>

# Fund accounts

	30-Jun-19	30-Jun-18
	\$	\$
<b>ASSETS</b>		
<b>Cash and cash equivalents</b>		
Cash at Bank	17,729,876	24,070,745
Cash Investments	1,027,042,527	911,639,870
<b>Trade and other receivables</b>		
Investment Receivable	395,427,490	267,164,256
Sundry Debtors	1,770,206	27,457
Prepayments	310,571	461,456
GST Receivable	223,482	174,246
<b>Investments</b>		
Australian Shares	2,494,067,773	2,405,689,382
International Shares	2,421,705,457	2,258,160,849
Unlisted Property	659,215,591	510,479,374
Listed Property	150,082,396	136,535,815
Diversified Fixed Interest	793,226,224	753,044,780
Private Equity	246,545,331	243,923,594
Alternatives - Growth	710,190,223	731,128,030
Alternatives - Defensive	627,403,707	887,988,464
Infrastructure	610,380,421	539,594,661
Target Return	-	44,838,603
<b>Tax assets</b>		
Current Tax Assets	6,229,130	-
Deferred Tax Asset	841,953	2,132,120
<b>Other assets</b>		
Fixed Assets	3,294,754	4,915,041
<b>TOTAL ASSETS</b>	<b>10,165,687,112</b>	<b>9,721,968,743</b>

# Fund accounts

	30-Jun-19	30-Jun-18
	\$	\$
<b>LIABILITIES</b>		
<b>Trade and other payables</b>		
Benefits payable	4,126,812	4,029,804
Accounts payable	13,091,389	14,883,715
<b>Fair value of indirect derivatives</b>	29,904,056	62,382,848
<b>Tax Liabilities</b>		
Current tax liability	-	6,108,770
Deferred tax liability	129,741,533	139,863,220
<b>Provisions</b>		
Provision for employee benefits	1,596,214	1,079,738
<b>TOTAL LIABILITIES (EXCLUDING MEMBER BENEFITS)</b>	178,460,004	228,348,095
<b>NET ASSETS AVAILABLE FOR MEMBER BENEFITS</b>	9,987,227,108	9,493,620,648

## Represented by:

<b>MEMBER BENEFITS</b>		
Allocated to members' accounts - accumulation	7,136,149,550	6,817,518,495
Allocated to members' accounts - pension	2,786,533,959	2,634,897,879
Not yet allocated to members' account	25,413	(253,395)
<b>TOTAL MEMBER BENEFITS LIABILITIES</b>	<b>9,922,708,922</b>	<b>9,452,162,979</b>
<b>TOTAL NET ASSETS</b>	<b>64,518,186</b>	<b>41,457,669</b>

<b>EQUITY</b>		
General operating reserve	38,259,802	15,538,200
Operational risk reserve (ORFR)	23,679,669	23,146,858
Insurance reserve	2,578,715	2,522,611
Administrative reserve	-	250,000
<b>TOTAL EQUITY</b>	<b>64,518,186</b>	<b>41,457,669</b>

# Income statement

	30-Jun-19	30-Jun-18
	\$	\$
<b>SUPERANNUATION ACTIVITIES</b>		
<b>REVENUE</b>		
Interest	288,797	303,045
Distributions/dividends	562,646,701	416,259,643
Net changes in fair value of investments	2,485,214	461,087,657
Other income	1,098	120,533
<b>TOTAL REVENUE</b>	<b>565,421,810</b>	<b>877,770,878</b>
<b>EXPENSES</b>		
Investment expense	39,830,404	41,068,568
Administration expense	7,001,448	6,086,344
Operating expense	25,603,220	21,092,372
<b>TOTAL EXPENSES</b>	<b>72,435,072</b>	<b>68,247,284</b>
<b>NET RESULT FROM SUPERANNUATION ACTIVITIES</b>	<b>492,986,738</b>	<b>809,523,594</b>
<b>NET BENEFITS ALLOCATED TO MEMBERS ACCOUNT</b>	<b>(475,073,827)</b>	<b>(809,092,644)</b>
<b>NET PROFIT BEFORE INCOME TAX</b>	<b>17,912,911</b>	<b>430,951</b>
<b>INCOME (BENEFIT)/TAX EXPENSE</b>	<b>(5,147,606)</b>	<b>22,556,468</b>
<b>NET PROFIT AFTER INCOME TAX</b>	<b>23,060,517</b>	<b>(22,125,517)</b>



# Statement of changes in member benefits for the year ended 30 June 2019

	30-Jun-19	30-Jun-18
	\$	\$
<b>OPENING BALANCE OF MEMBER BENEFITS</b>	<b>9,452,162,976</b>	<b>8,486,278,542</b>
<b>CONTRIBUTIONS</b>		
Employer contributions	354,063,533	345,873,207
Member contributions	140,173,861	123,635,562
Transfers from other superannuation entities	201,296,328	275,825,769
Government contributions	563,885	559,308
Income tax on contributions	(49,490,506)	(47,944,645)
<b>NET CONTRIBUTIONS AFTER TAX</b>	<b>646,607,101</b>	<b>697,949,201</b>
Benefit payments to members	(634,312,283)	(521,729,269)
Anti-detriment payments	(183,138)	(846,148)
Insurance premium charged to members	(29,770,438)	(29,467,014)
Death and disability benefits allocated to member accounts	13,130,876	10,885,021
<b>NET BENEFITS ALLOCATED TO MEMBER ACCOUNTS</b>		
Net investment income	499,696,050	831,860,531
Administration expense	(24,622,223)	(22,767,887)
<b>TOTAL NET BENEFITS ALLOCATED TO MEMBER ACCOUNTS</b>	<b>475,073,827</b>	<b>809,092,644</b>
<b>CLOSING BALANCE OF MEMBER BENEFITS</b>	<b>9,922,708,921</b>	<b>9,452,162,976</b>

# Board of directors

The role of the Board is to ensure that the Fund is operated and managed in the best interests of members - in accordance with its governing rules and superannuation legislation.

The Board consists of member and employer representative directors. A schedule of director meetings is established prior to the start of each calendar year.

Chris Harkin resigned as a director in April 2019. We welcomed Simone Thompson as an employer director in May 2019. On 21 October 2019, Catholic Super formed a Joint Venture with Equip Super, another top performing, industry superannuation fund. From that date, both funds are governed by a skills-based board of 12 directors headed by an independent chair. The Board is comprised of equal numbers of employer, member and independent directors. As a result, five former CSF directors retired in September. Special thanks to our former serving directors, Marcia Clohesy, Sheree Press, Greg Quinn, Paul Murphy and John Connors.

Our five directors who have been appointed to serve under the new Togethr Trustee are Deputy Chair, Danny Casey, Carolyn Harkin, Peter Haysey, Deb James and Simone Thompson.



**Danny Casey**  
Director since 2017,  
Chair since 2017  
Board Chair  
(Employer Director)

## Serving directors (as at 30 June 2019) are:

### Member Representative Directors



**Peter Haysey**  
Director since 2010,  
Deputy Chair  
since 2010  
Deputy Chair



**John Connors**  
Director since 2008  
Retired



**Deb James**  
Director since 2004  
General Secretary,  
Independent  
Education Union  
Victoria Tasmania



**Sheree Press**  
Director since 2017  
Retired



**Gregory Quinn**  
Director since 2010  
Retired

### Employer Representative Directors



**Carolyn Harkin**  
Director since 2014  
Self-employed



**Simone Thompson**  
Director since 2019  
Managing Director,  
ST Consult Pty Ltd



**Paul Murphy**  
Director since 2012  
Principal Advisor –  
Retirement Living  
and Seniors Housing,  
Leading Age Services  
Australia



**Marcia Clohesy**  
Director since 2003  
Retired

## Trustee Committees

The Trustee Board has a number of committees and management groups, all chaired by a Director, to which it delegates various responsibilities. These are:

- Risk Management Committee
- Audit Committee
- Investment Management Group
- Insurance Reference Group
- Remuneration Committee
- Nomination Committee

Key executive personnel are defined as those individuals who form part of the leadership team and have a key role in determining and executing the strategic objectives of the Fund.

## External advisers

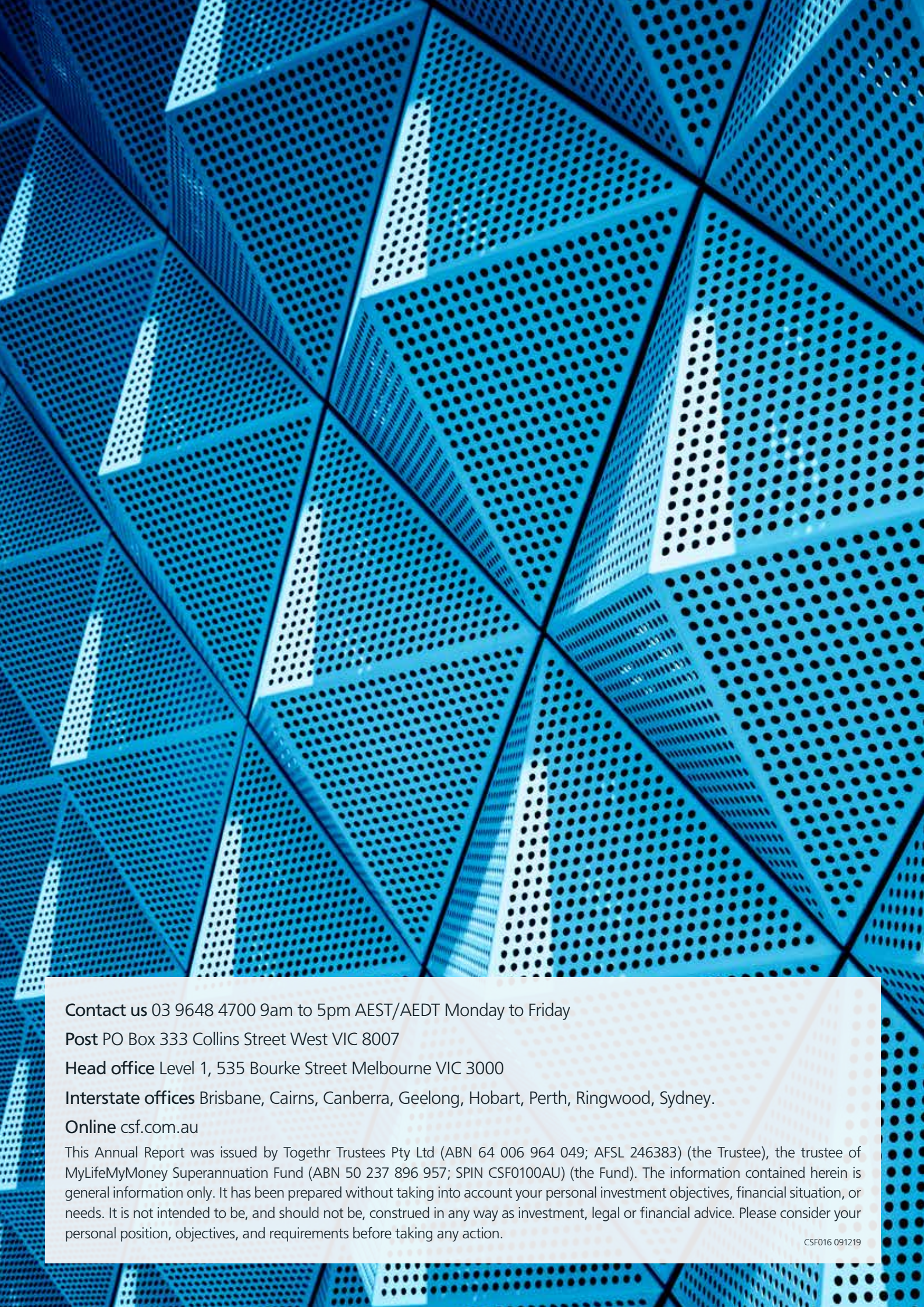
The Trustee employs various professional advisers and service providers to assist in the management of the Fund. The Trustee is not associated with any of these organisations.

<b>Administration</b>	Mercer Outsourcing (Australia) Pty Ltd
<b>Master custodian</b>	NAB Asset Servicing
<b>Investment managers</b>	Refer to 'Where your money was invested' on page 19 for a full list of managers
<b>Bank</b>	Westpac Banking Corporation
<b>Investment consultant</b>	JANA Investment Advisers
<b>Auditor</b>	Grant Thornton
<b>Tax advisor</b>	PricewaterhouseCoopers
<b>Insurer</b>	TAL Life Limited

**With entry deposits to aged care facilities, typically up to \$2.2m, the prospect of moving a loved one into aged care is daunting. You are not alone.**

**CSF Accredited Aged Care Specialist Financial Planners can work with your family to navigate the complexity of accessing and funding support.**





**Contact us** 03 9648 4700 9am to 5pm AEST/AEDT Monday to Friday

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**Head office** Level 1, 535 Bourke Street Melbourne VIC 3000

**Interstate offices** Brisbane, Cairns, Canberra, Geelong, Hobart, Perth, Ringwood, Sydney.

**Online** [csf.com.au](http://csf.com.au)

This Annual Report was issued by Togethr Trustees Pty Ltd (ABN 64 006 964 049; AFSL 246383) (the Trustee), the trustee of MyLifeMyMoney Superannuation Fund (ABN 50 237 896 957; SPIN CSF0100AU) (the Fund). The information contained herein is general information only. It has been prepared without taking into account your personal investment objectives, financial situation, or needs. It is not intended to be, and should not be, construed in any way as investment, legal or financial advice. Please consider your personal position, objectives, and requirements before taking any action.