



Annual Member Meeting – 7 March 2023

Member questions and answers

Questions from members as part of our Annual Member Meeting (AMM) held on 7 March 2023 are answered in the following sections. We note that questions relating to personal circumstances; personal advice; certain commercial; legal and confidential matters could not be addressed as part of the meeting nor in this document. Where we received a range of questions of a similar nature on certain topics, we have grouped the questions and provided an overall response.

General advice warning about using or relying on this information

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Please also remember that past performance is not a reliable indicator of future performance.

In addition, where we refer to product features in Australian Retirement Trust (ART), you also should refer to the relevant information provided by Australian Retirement Trust about its products and services at www.australianretirementtrust.com.au

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1. Proposed merger

1.1 Rationale and related questions

| Questions | Group Super (the fund) response |
|---|---|
| <p>a) Rationale for a successor fund transfer (SFT) and member best financial interests</p> <ul style="list-style-type: none"> • <i>Considering the low amount of FUM has/will CBA OSF consider merging with other funds to build scale to give better member returns? Thank you.</i> • <i>Can you please explain how the proposed merger with Australian Retirement Trust would be in the best interests of members?</i> • <i>What are the underlying reasons for the merger of Commonwealth Bank Group Super with the Australian Retirement Trust?</i> • <i>Why has Group Super chosen ART to merge with?</i> • <i>Who initiated the merger talks? Australian Retirement Trust or CBSF?</i> • <i>Keen to understand the potential impact of taking over by Australian Retirement Trust.</i> | <p>The trustee announced in February 2023 its proposal to merge with Australian Retirement Trust (ART), one of Australia's largest superannuation funds, by way of an SFT.</p> <p>In making this decision, the trustee considered the size of the Group Super fund, the importance of scale in delivering long term outcomes to members, the required investment for it to remain competitive and the impact of that required investment on members' fees and concluded that consideration of a merger was likely to be a more beneficial way for delivering these outcomes.</p> <p>Though the fund has delivered good outcomes for members over the years, it is a relatively small fund compared to the majority of many funds.</p> <p>Size and scale are important to deliver long-term outcomes for superannuation fund members. Larger funds with better buying power can expand their services and strengthen their capabilities while keeping costs down for their members.</p> <p>The Australian Prudential Regulation Authority (APRA) has released analysis indicating that larger superannuation funds with assets over \$50 billion are more likely to deliver stronger long-term member outcomes due to the benefits of scale, when compared with small-and medium-sized funds.*</p> <p>Both Commonwealth Bank of Australia (CBA), the employer sponsor and the Group Super/ fund trustee commenced separate strategic reviews to ensure that all the fund's products could continue to provide choice and value for money in the best financial interests of members.</p> <p>Following careful consideration of a range of potential superannuation funds and due diligence, the trustee believes the decision to work towards a merger with Australian Retirement Trust may be in the longer term best financial interests of members.</p> <p>As a large fund, Australian Retirement Trust can offer a broader range of products and services which may translate into sustainable outcomes for members.</p> <p>We believe that a merger with Australian Retirement Trust may be in members' best financial interests. We will confirm this over the coming months, and the merger won't proceed unless we are satisfied of this.</p> <p>If the merger proceeds, existing fund members will automatically transfer to Australian Retirement Trust at the time of the merger. As part of a larger fund, members may benefit from:</p> <ul style="list-style-type: none"> • global investment capability, with strong comparative long-term returns across a range of investment options • more choice through an expanded investment options menu • value-for-money fees, and • enhanced member support services including digital tools and education seminars. <p>The proposed merger is designed to offer members more choices and services in the future, at a more competitive cost, than we would be expected to provide in the longer term if the fund continued as a stand-alone super fund. As we progress through the merger process, we will provide members with further details about the product features in Australian Retirement Trust, together with the relevant fees and costs that are applicable to members.</p> <p>It is important to note that Australia Retirement Trust is not 'taking over' Group Super. An SFT to Australia Retirement Trust would involve a transfer of the Group Super members and assets to Australia Retirement Trust as trustee for those members as outlined below. Ultimately, the Group Super fund will cease to exist and members' superannuation entitlements will be governed by the Australia Retirement Trust trust deed and plan rules. As explained in 1.4 (Defined benefits) below, our intention is to replicate the existing governing rules of the fund into a new section of the governing rules of Australian Retirement Trust, subject to the consent of both trustees.</p> <p><i>*APRA media release: small and medium super funds face sustainability challenges 29 March 2022.</i></p> |

| Questions | Group Super (the fund) response |
|--|---|
| <p>b) Rationale and administration transition</p> <ul style="list-style-type: none"> • <i>Why ART now given the changes to back office and admin last year?</i> • <i>Recent Group Super announcement to investigate an alternative administrator of our funds and likely period of review before this happens and our funds are managed by Australian Retirement Trust.</i> | <p>In 2018, the trustee commenced a review of its operating model and member and investment administration services previously provided by Colonial First State Investments Limited (CFS) to enable the fund to better deliver its intended strategic agenda. CBA's announcement of the partial sale of CFS in May 2020 further strengthened the trustee's need to proceed with its service provider transition.</p> <p>The fund successfully transitioned member administration and financial advice providers to Mercer Outsourcing (Australia) and Mercer Financial Advice (Australia) (together 'Mercer'); and master custodial services to State Street in March 2022.</p> <p>Subsequently, as part of its strategic analysis process, the trustee initiated a merger review given the increasing importance of scale as a driver for long-term member outcomes. Following a comprehensive market analysis, the trustee chose to explore a merger with Australian Retirement Trust.</p> <p>As noted further below, it will be some time before any transition to Australia Retirement Trust occurs and that is conditional on certain factors being met such as the trustee being satisfied as to the SFT being in members' best financial interests and equivalency of rights for members in Australian Retirement Trust.</p> |
| <p>c) Trustee of merged entity</p> <ul style="list-style-type: none"> • <i>Who would be the trustee of the merged entity?</i> • <i>Will the trustee of the defined benefit funds change?</i> • <i>What happens to existing benefit policies after the merger?</i> • <i>Does it mean that CBA Group Super will not exist anymore? Would we need to log in to Australian Retirement Trust to get access to superannuation account? When exactly merger will take place and how long will it take.</i> | <p>On completion of the proposed merger, your new trustee will be Australian Retirement Trust Pty Ltd, the trustee of Australian Retirement Trust and you will be a member of Australian Retirement Trust fund.</p> <p>The Australian Retirement Trust trustee would manage your existing benefits and have the same statutory duties to all members as the Group Super trustee currently has and is subject to the same obligations in operating the Australian Retirement Trust fund as the Group Super trustee has in relation to Group Super.</p> <p>The trustee has determined that a merger may be in the longer term best financial interests of members.</p> <p>You can continue to access your superannuation account via the Group Super member portal. If the merger proceeds, Australian Retirement Trust provides 24/7 digital access to superannuation accounts supported by online calculators and education tools through Australian Retirement Trust's member portal and mobile app. More information about the Australian Retirement Trust portal will be provided closer to the merger.</p> <p><i>See 1.2(b) below for timing of when the proposed merger is likely to occur.</i></p> |
| <p>d) Impact on remaining funds</p> <ul style="list-style-type: none"> • <i>Once all member balances are transferred to ART what happens to any left-over equity in the CBA Group Super fund balance sheets on wind up? Do these go to members pro-rata or is no surplus expected?</i> • <i>We all received independent communication about poor performance of Group Super. Apart from merger, is there anything else will be done? For instance, fee refund etc?</i> | <p>While it is too early in the merger planning process to answer the questions definitively, the merger will involve the transfer of all Group Super fund assets and liabilities to Australian Retirement Trust. This may include any relevant surplus remaining after benefit transfer and the payment of all final liabilities, costs and taxes of the fund. The trustee will take steps to ensure that the reserves and surplus in the fund are managed appropriately and in members' best financial interests.</p> |

1.2 Voting, due diligence and timing

| Questions | Group Super (the fund) response |
|---|--|
| <p>a) Voting</p> <ul style="list-style-type: none"> • <i>How far is the progress of the possible merger with Australian Retirement Trust that was recently announced and will this be taken to the members to get their feedback and vote on?</i> • <i>Will there be a member vote for the upcoming merger?</i> • <i>Regarding the merger, it has been presented as a done deal subject to due diligence, no opportunity for members to even ask a question. The Bank consents, so what is the dollar saving to CBA Group of having the OSF shifted to Australian Retirement Trust?</i> | <p>General law and legislation place the management and operation of the fund, including consideration of merger proposals, and responsibility for those matters, in the hands of the trustee. The law does not provide for member votes on such issues. However, the trustee also must act in the interests of members.</p> <p>The trustee of the fund, which includes member elected directors, is appointed to act in the best (financial) interests of fund members. Before the merger can take place and members be transferred without specific consent, the trustee must be satisfied that members will have equivalent rights to benefits in the new fund as they have in our existing fund and that the transfer is in members' best interests.</p> <p>The trustee believes that a merger with Australian Retirement Trust may be in members' best financial interests and will confirm this over the coming months, and the merger won't proceed unless it is satisfied of this.</p> <p>In deciding to pursue a merger with Australian Retirement Trust, the trustee of Group Super has considered what is in the best interests of members of the fund and does not consider any cost savings or other benefits that may be derived by other parties in making this decision.</p> |
| <p>b) Timing</p> <ul style="list-style-type: none"> • <i>When will the transition to ART take place roughly?</i> • <i>When might we expect the fund to merge with ART?</i> | <p>The merger is subject to certain conditions, including both funds completing their respective due diligence reviews, agreement on the final terms of the merger and relevant regulatory requirements being satisfied, including that the merger is in members' best financial interests.</p> <p>As we work through this process, we will be able to provide members with a more accurate timeframe of when we anticipate members would transfer to Australian Retirement Trust, however this process is expected to take a number of months to complete.</p> |
| <p>c) Due diligence</p> <ul style="list-style-type: none"> • <i>Where to from here?</i> • <i>With the merger, how our current investment portfolio is managed?</i> | <p>The trustee has determined, given a range of factors, that a merger is likely to be a more beneficial way forward for delivering long-term, market competitive outcomes for our members into the future.</p> <p>There are still a number of steps for us to take before the merger is approved and proceeds as it is subject to certain conditions, including both funds completing their respective due diligence reviews as noted in 1.2(b) above.</p> <p>We will continue to keep members fully informed and provide regular updates of key milestones as we progress, along with further details about the product features in Australian Retirement Trust, together with the relevant fees and costs that are applicable to members.</p> <p>In the meantime, we remain committed to the diligent management of members' retirement savings in line with our investment philosophy and practices.</p> |
| <p>d) Lock out dates</p> <ul style="list-style-type: none"> • <i>Can you provide any lock out dates for changes if a merger proceeds?</i> | <p>We anticipate, that should the merger proceed, there will be a period of limited services. However, at this stage, we don't know when or for how long. We will communicate the details of any limited period services well in advance to members.</p> |
| <p>e) Survey</p> <ul style="list-style-type: none"> • <i>Why did I receive a request to do survey on GroupSuper well after communication that you supporting merger with Australian Super Trust? The timing seems very unusual.</i> | <p>An active decision was made to participate in the February 2023 Customer Experience Survey as a way of monitoring members' sentiment following the announcement regarding the merger.</p> <p>Members' feedback will help shape future communications about the merger. The Annual Member Meeting held on Tuesday 7 March 2023 was also a similar opportunity for us to collect member feedback about the merger.</p> |

1.3 Commonwealth Government Guarantee

| Questions | Group Super (the fund) response |
|---|--|
| <ul style="list-style-type: none"> • Will defined pensions still be covered by a Government guarantee? • There are currently two government guarantees in favour of members who were members prior to privatisation of the Bank: one guarantee of the Bank's obligations; and one of the obligations of the trustee. Is it intended that both these guarantees will be continued after the merger? • As a member of the defined benefits scheme, how will the proposed merger handle the Commonwealth government guarantee? This is an important part of the benefit to this scheme. The guarantee must remain in place. • Which category of member does the Government Guarantee apply? • If you do not get continuation of government guarantee for former State Government defined benefit fund, will it remain with CBA/Mercer to maintain the guarantee? Otherwise can the fund be wound up and dispersed to members? • What happens if government guarantee is not given for defined benefit members? | <p>The Commonwealth Government Guarantee applies to people who were members of Divisions B, C, D, E and F of the fund immediately prior to 19 July 1996 when the Commonwealth Government privatised CBA.</p> <p>The trustee and CBA are working with the relevant authorities in relation to maintaining the Commonwealth Government Guarantee applicable to members of Divisions B, C, D, E and F of the fund immediately prior to 19 July 1996 as part of the transition to Australian Retirement Trust.</p> <p>Unless you were an employee of CBA or a pensioner of the fund prior to 19 July 1996, you would not be covered by the Commonwealth Government Guarantee. For instance, members of the CGSSS were transferred into the fund on 3 October 2003. They were not members of the fund on 19 July 1996, therefore are not covered by the guarantee.</p> <p>CBA as the employer sponsor is committed to maintaining and funding all of the defined benefit arrangements as part of the proposed successor fund transfer (see 1.4 below for further details on defined benefits), and on the question regarding windup, refer to 1.1(c) and 1.1(d) above.</p> <p>Given the significance of the Commonwealth Government Guarantee we anticipate that continuation of the guarantee will be a pre-requisite for the merger to proceed. When there are significant developments concerning the maintenance of the Commonwealth Government Guarantee following the merger, we will let members know.</p> |
| <p>Refer to section 7 for other similar questions relating to the Commonwealth Government Guarantee</p> | |

1.4 Defined benefits

| Questions | Group Super (the fund) response |
|---|---|
| <ul style="list-style-type: none"> • <i>If the merger proceeds will the rules of the existing defined benefit pension be grandfathered (unchanged), continue to be fully government guaranteed and will this be provided in writing?</i> • <i>Could a cash out option be considered under proposed new administration structure for Defined Benefits?</i> • <i>How can I be sure that the new management will not make changes to my super benefits?</i> • <i>With proposed fresh structure will CPI movements still apply to Defined Pensions?</i> • <i>Will the CF defined benefits pension fund continue exactly the same as the existing fund?</i> • <i>While I already note advice that existing defined benefit arrangements will be continued post-merger of Group Super with Australian Retirement Trust, I still seek further assurance that this is the case and that indexing and the method of calculation of same will continue.</i> • <i>With respect to the proposed merger. For Defined Benefit Division B Members will the Death Benefits continue, as per the existing Member Booklet? Refer to page 15 etc.</i> • <i>With respect to the proposed merger. Will any merger deliver Equal to or Better than the Existing Division B Member Booklet agreements? Refer to the Commonwealth Bank OurSuperFund website for relevant existing Member Booklet Information/Agreements.</i> • <i>With respect to the proposed merger. For Defined Benefit Division B Members will the Life Time Pension, including the CPI Indexing continue?</i> | <p>Refer to 1.3 above for response on the Commonwealth Government Guarantee.</p> <p>Both the trustee and CBA as the employer sponsor are committed to maintaining and funding all of the defined benefit arrangements as part of the proposed successor fund transfer.</p> <p>CBA's obligations to the fund and beneficiaries have not changed and will not change because of the proposed merger. The fund's defined benefits and lifetime pension members will continue to enjoy the same defined benefit formula, with CBA's continued support. Members' existing defined benefit arrangements would continue to apply in Australian Retirement Trust.</p> <p>The calculation of members' defined benefit entitlements will remain unchanged and we will work hard to ensure that the administrative arrangements including members' pension frequency remains consistent with what they have experienced to date. Should any change or action be required from members we will notify them well ahead of the merger.</p> <p>Specifically, our intention is to replicate the existing governing rules of the fund into a new section of the governing rules of Australian Retirement Trust, subject to the consent of both trustees, to ensure that existing defined benefit arrangements will continue to apply in Australian Retirement Trust, including ensuring the continuation of the benefit formula used to calculate members' defined benefits; lifetime pension arrangements, death benefits, indexation and other arrangements.</p> <p>Existing fund members will automatically transfer to Australian Retirement Trust if the merger proceeds. The fund's defined benefit members would be placed in a special Group Super division or Plan of Australian Retirement Trust, set up to manage their defined benefits.</p> <p>Any future enhancements or changes to defined benefit arrangements would be at the discretion of the trustee of Australian Retirement Trust, in consultation with CBA as the employer sponsor.</p> |

| Questions | Group Super (the fund) response |
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| <ul style="list-style-type: none">• <i>Defined benefit members are advised of reasons for the trustee working towards a merger with Australian Retirement Trust that appear to relate to defined contribution/accumulation members. In view of the differences between the benefit rights of defined benefit as compared with defined contribution/accumulation members, please provide further clarification as to the reasons the trustee has made the decision to work towards the merger, when considered from the perspective of defined benefit members?</i>• <i>For a defined benefits beneficiary, what is the relevance of the delivery of long term, market competitive outcomes?</i>• <i>Why have the defined benefits stream and the accumulation stream of Commonwealth Bank Group Super not been segregated for the purposes of the merger, with the former remaining with Group Super and the latter merging with Australian Retirement Trust, given that the stated reason for the merger (delivering long-term, market competitive outcomes for members) can only be relevant to the latter?</i> | <p>The trustee's decision to pursue a merger was made following a thorough and careful review to ensure that such a merger would likely be in the best interests of all members – providing more services and choices and ensuring continued sustainability, while continuing to safeguard members' entitlements.</p> <p>This includes the continuation of defined benefit entitlements. In addition, the trustee's consideration also included the position of fund members who hold both defined benefit and defined contribution accounts within the fund and for whom having a consolidated view of their retirement savings potentially represents a better member experience.</p> <p>Specifically, in relation to defined benefit members, we anticipate that, in addition to the replication of current defined benefits, it will be in the interests of those members to move to Australian Retirement Trust. This is because Australian Retirement Trust is one of the largest defined benefit providers in the Australian marketplace, managing \$32 billion in defined benefit assets on behalf of 74,000 members of some of Australia's leading companies.</p> <p>It would not be in the best interests of members as a whole for there to be a segregation of defined benefit members and accumulation members, with defined benefit members remaining in Group Super and accumulation members being transferred to ART. The continuation of Group Super as a defined benefit member only fund, or indeed continuing as a stand-alone corporate fund did not appear to the trustee to be a viable long-term option for the reasons explained above. We do believe that there will be other benefits for defined benefit members as we have indicated.</p> |

1.5 Fees and insurance

| Questions | Group Super (the fund) response |
|---|---|
| <p>a) Fees relating to defined benefits</p> <ul style="list-style-type: none"> <i>If the merger proceeds will ART charge fees to administer defined benefit pensions? If so, how will these differ from administrative costs incurred by CBA?</i> | <p>Group Super defined benefit and lifetime pension members generally do not pay any direct fees for the day-to-day management and administration of their defined benefits or the fund. As is currently the case, the costs of administering defined benefit accounts and pensions is not proposed to be charged directly to members. Instead, these costs are met out of the fund, to which the employer sponsor would continue to contribute, in line with actuarial guidance.</p> <p>Specifically, our intention is to replicate the existing governing rules of the fund into a new section of the governing rules of Australian Retirement Trust, subject to the consent of both trustees, to ensure that existing defined benefit arrangements will continue to apply in Australian Retirement Trust</p> <p>Any future enhancements or changes to defined benefit arrangements would be at the discretion of the trustee of Australian Retirement Trust, in consultation with CBA as the employer sponsor.</p> |
| <p>b) Fees</p> <ul style="list-style-type: none"> <i>Will there be any agreement or requirement for ART to limit fees charged in respect of former CBA Fund members to be comparable to the costs charged/recovered by CBA currently?</i> <i>Total annual fees of Australian Retirement Fund are higher than Group Super: will there be an increase in our fees? How much?</i> <i>If moving from a balance fund with CBA Group Super to ART balance fund, will the fees be reduced? One of the benefits of merging is scale which means lower fees for members.</i> <i>One of the benefits of the proposed merger is value-for-money fees, including lower administration fees. 'Lower' when measured against what? Do you mean lower than Group Super's fees? If so, can we see a fee table providing a like-for-like comparison of the fees levied by Group Super with the fees levied by Australian Retirement Trust?</i> <i>Regarding the proposed merger, the economies of scale are acknowledged in respect to lower fees. However the potential for larger funds to outperform in regards to returns is also a potential factor. What is the trade-off expected?</i> | <p>The merger is subject to various conditions, including both funds completing their respective due diligence reviews, agreement on the final terms of the merger and relevant regulatory requirements being satisfied, including that the merger is in members' best financial interests.</p> <p>It is too early at this stage to comment on the fees that will apply following the merger.</p> <p>As we progress through the merger process, we will provide members with further details about the product features in Australian Retirement Trust, together with the relevant fees and costs that are applicable to them. Information will also be provided regarding other important considerations, including insurance costs and benefits, as well as other services and benefits offered through Australian Retirement Trust.</p> |

| Questions | Group Super (the fund) response |
|---|--|
| <p>c) Insurance</p> <ul style="list-style-type: none"> • <i>Will there be an increase in fees or insurance premiums as a result of the merge with ART?</i> • <i>Interested in understanding views on what will happen with insurance if proposed merger goes ahead. For example: will Australian Retirement Trust change insured value based on salary changes, or more conventionally for a superfund? And what is the impact of being able to transfer Income Protection and Trauma benefit provided by CBA to the fund, should employment with the Group cease.</i> • <i>Will the proposed merger result in any changes to members' Death & TPD insurance policies and premiums?</i> • <i>If the CBA Group Super account being moved over to ART includes life insurance, will the premium with ART generally be the same, lower or higher than CBA Group Super?</i> • <i>Will the terms and conditions in relation to life insurance be more favourable, less favourable or the same when moving over to ART?</i> • <i>When will we have access to the insurance premium details for TPD & Life as when we moved to Mercer there was a huge increase in the premiums which was concerning?</i> | <p>As noted above, the merger is subject to a number of conditions, including both funds completing their respective due diligence reviews, agreement on the final terms of the merger and relevant regulatory requirements being satisfied.</p> <p>Members who have existing death, total and permanent disability or income protection insurance with Group Super will continue to have these types of insurance cover as part of the transition to Australian Retirement Trust.</p> <p>As a result of the transition there may be some change to the policy terms, conditions and premiums to those currently provided through Group Super.</p> <p>It is too early at this stage to comment on the premiums that will apply following the merger if it proceeds.</p> <p>Further information will be provided as the merger progresses including in regard to any decisions members may wish to make in regard to their insurance cover.</p> |
| <p>d) Life insurance and fees</p> <ul style="list-style-type: none"> • <i>Regarding the OSF takeover, the email advice noted the members MAY (my upper case) be benefit from more competitive fees. There must be comparatives for a Day-1 scenario on what an OSF Member pays now vs what that would look like with Australian Retirement Trust. Please advise in dollar / percentage terms what that would be, and then also comment on life insurance.</i> | <p>This proposed merger is designed to offer members more choices and services in the future, at a more competitive cost, than we would be able to provide in the long-term if the fund continued as a stand-alone superannuation fund. As we progress through the merger process, we will provide members with further details on the product features in Australian Retirement Trust.</p> <p>We believe that a merger with Australian Retirement Trust may be in members' best financial interests. We will confirm this over the coming months, and the merger won't proceed unless we are satisfied of this.</p> |

1.6 Australian Retirement Trust (ART) investment performance

| Questions | Group Super (the fund) response |
|--|---|
| <ul style="list-style-type: none"> <i>The Balanced plan for Group Super has performed fairly poorly last year, June 2022 showed fairly negative results. If we checked Australian Retirement Trust under which we are about to transition, their last 3 year net return results have been worse than Group Super (according to ATO comparison website: 0.7% for Australian Retirement Trust vs 1.72% for Group Super). How is this merger and transition to Australian Retirement Trust meant to improve results considering existing data?</i> | <p>The 2022 calendar year was a challenging year for all investors. For the latest Group Super quarterly investment market update to 31 December 2022, including a summary of the explanation of the recent volatility and negative investment market performance this year, please refer to its website: https://www.oursuperfund.com.au/about-us/news/2023-02-Investment-update-31Dec2022.html</p> <p>Should the proposed merger with Australian Retirement Trust proceed, it is likely that Group Super members will be transitioning to Australian Retirement Trust's Super Savings product. The results quoted in this question for the Australian Retirement Trust product appear to relate to the returns for Australian Retirement Trust's QSuper Aspire 2 investment, which is not the correct comparison. Please refer instead to the ATO YourSuper Comparison Tool, illustrating the Australian Retirement Trust Super Savings Lifecycle investment strategy (under 54) at https://www.ato.gov.au/YourSuper-comparison-tool/.</p> <p>Further details on mapping between Group Super's current investment options and the corresponding Australian Retirement Trust's investment option will be communicated in the coming months.</p> |
| <ul style="list-style-type: none"> <i>What will be the standard superannuation investment option post-merger and what will be its expected return on investment over a 10 year period?</i> | <p>The Super Savings Lifecycle Investment Strategy is Australian Retirement Trust's default MySuper option. In this option, members are invested in the Balanced Pool until age 55. From age 55 to 65 members are then progressively moved, on a monthly basis, to Australian Retirement Trust's Retirement and Cash Pools, de-risking their asset allocation as they approach age 65.</p> <p>Members may wish to refer to Australian Retirement Trust's product disclosure statements on its website to view the objectives of the investment options. Full performance history of its investments, including the default option, can be found at Australian Retirement Trust's website.</p> |
| <ul style="list-style-type: none"> <i>I've been relatively satisfied with OSF over the years. Is the performance going to drop due to the merger? (Relative to the market performance).</i> | <p>While past performance is not indicative of future performance, nor is future performance guaranteed, we can confirm that Australian Retirement Trust's default MySuper option, the Super Savings Lifecycle Investment Strategy, has achieved strong investment returns above the comparative industry median over the past 10 years.</p> |
| <ul style="list-style-type: none"> <i>How has Australian Retirement Trust performed in APRA's annual MySuper performance test? How does this compare with Group Super's performance in these tests?</i> | <p>Australian Retirement Trust passed the APRA YFYS performance assessment in 2021 and 2022.</p> <p>It is important to note that the Group Super's MySuper option also passed the most recent APRA YFYS performance assessment, effective 30 June 2022.</p> |
| <ul style="list-style-type: none"> <i>Please provide more information on flexible retirement products. Also, rates and fees.</i> | <p>The merger is subject to a number of conditions, including both funds completing their respective due diligence reviews, agreement on the final terms of the merger and relevant regulatory requirements being satisfied, including that the merger is in members' best financial interests.</p> <p>As we progress through the merger process, we will provide members with further details about the product features in Australian Retirement Trust, including their flexible retirement products, together with the relevant fees and costs that are applicable to members.</p> |
| <ul style="list-style-type: none"> <i>How do the investment options compare? For example, does Australian Retirement Trust offer investments in international shares?</i> | <p>Australian Retirement Trust offers a wider range of investment options compared to Group Super, including international shares.</p> <p>Members of Australia Retirement Trust currently can choose up to 10 investment options from both the diversified options and/or any of the single asset classes.</p> <p>Of course, members should make their own enquiries and take appropriate professional advice, if necessary, when considering investment options.</p> |
| <ul style="list-style-type: none"> <i>How do the investment returns of Australian Retirement Trust compare with those of Group Super?</i> <i>Can we see a table comparing the returns split by investment option and timeframe?</i> <i>Will we be provided full performance details of Australian Retirement Trust?</i> | <p>Members can view the investment returns for the Group Super investment options at oursuperfund.com.au/investments.html</p> <p>We will be able to provide members with further details on how the merger process will work, including performance details, how investment options would be mapped, as we work through the merger process over the coming months.</p> <p>Members may wish to refer to Australian Retirement Trust's product disclosure statements on its website to view the objectives of the investment options. Full performance history of its investments, including the default option, can be found at the Australian Retirement Trust website.</p> |
| <ul style="list-style-type: none"> <i>Who are the investment managers engaged by Australian Retirement Trust? How does their performance compare with those used by Group Super?</i> | <p>The investment managers engaged by Australia Retirement Trust are detailed in the Australian Retirement Trust Annual Report (pages 62 and 63 for FY2021-2022) located on its website.</p> <p>Please note that the Australian Retirement Trust report performance is at the investment option level, not the manager level.</p> |

1.7 ART products and services

| Questions | Group Super (the fund) response |
|---|---|
| <p>a) Product options</p> <ul style="list-style-type: none"> How do the options available to members in (or nearing) retirement compare between Australian Retirement Trust and Group Super? For example, does Australian Retirement Trust offer options such as: transition to retirement, lump sum withdrawals, pensions, annuities? | <p>Australian Retirement Trust offers a range of retirement products including a Transition to Retirement Income account, a Retirement Income account and a Life Time Pension (offered through QSuper).</p> <p>Members can make lump sum withdrawals from the Retirement Income account or Super savings accumulation account, subject to any legislative requirements. More details can be found on the Australian Retirement Trust website.</p> <p>Australian Retirement Trust also provides retirement seminars and access to financial advice to assist with retirement planning.</p> |
| <p>b) Financial advice</p> <ul style="list-style-type: none"> Would the merger to Australian Retirement Trust mean that services provided by Mercer are no longer available i.e. financial planning/transition to retirement etc? Or what services will be provided with the new fund? And will CBA staff receive discount/special offer rate etc? How do I get Financial Advice through ART? Would first consultation be free? | <p>If the merger proceeds, as a member of Australian Retirement Trust, members would continue to have access to financial advice as part of their membership.</p> <p>As noted in 1.7(a) above, Australian Retirement Trust offers a range of retirement products and also provides retirement seminars and access to financial advice to assist with retirement planning.</p> <p>Australian Retirement Trust members would continue to access financial advice about their account as one of the benefits included in their member fee. Further information on the advice options offered to members is available at the Australian Retirement Trust website.</p> |
| <p>c) Account consolidation</p> <ul style="list-style-type: none"> My question is regarding the merger between Australian Retirement Trust and CBA Group Super. I am currently a member of Australian Retirement Trust (through my current employer) when the merger happens will my CBA Super balance and insurance transferred across to that account? If you have an account already with ART and your account with CBA Group super is moving to ART, then will you only have 1 member number and 1 login details or will you end up with 2 member numbers and therefore 2 separate online login details? | <p>We anticipate a consolidation process if the merger proceeds. However, it is too early at this stage to comment on the transition process that will follow.</p> <p>We will provide members with further details on how the transition process will work, including the product features in Australian Retirement Trust and what would be required for existing Australian Retirement Trust members and their consideration for account consolidation and associated insurance, once the final governing rules and transition process have been confirmed.</p> |
| <p>d) Member app</p> <ul style="list-style-type: none"> Will the app be improved once we merge the current app is lacking | <p>We understand from Australia Retirement Trust that in addition to allowing members to view account transactions, monitor contributions and view insurance details, the Australian Retirement App allows members to switch their investment options, quickly preview how their investments are performing and allocated, nominate or update their beneficiaries, consolidate their superannuation and other features. If members have multiple accounts with Australian Retirement Trust, these can be viewed under the same login.</p> <p>More details about the Australian Retirement Trust App will be provided prior to the merger.</p> |

2. Investment performance and menu

2.1 Your Future Your Super (YFYS) performance assessment

| Questions | Group Super (the fund) response |
|---|--|
| <p>a) General YFYS performance assessment</p> <ul style="list-style-type: none"> • <i>Is my super going to be up to government standards as in the past it hasn't.</i> • <i>How and why was Group Super allowed to deteriorate, without detection, to the point that it was listed as one of the worst performing superannuation funds in 2021 by APRA? Moving forward into the future, what has been rectified?</i> • <i>After the default fund being considered the fourth worst default superannuation product in the country and failing the APRA test in August 2021, how has the fund improved its' performance since then and what confidence should members have that the fund is a good place to invest their retirement funds? Further to this, what confidence should members have that all products within the fund are a good place to invest our retirement funds?</i> • <i>Do you believe you have made sufficient changes to the fund following the APRA poor rating?</i> • <i>I received a letter to be advised that our fund is an underperformer when compared to industry standards, will the merger rectify this?</i> | <p>It is important to note that the fund's MySuper option successfully passed the most recent APRA YFYS performance assessment (YFYS assessment), effective 30 June 2022.</p> <p>The YFYS assessment came into existence for the first time in June 2021. The fund was found to have underperformed the YFYS assessment at that time, due to historic under-performance of some of its investments (most of which have been removed or enhanced), and the fact that some of its assets are invested differently to the assessment benchmark.</p> <p>In addition to making a range of portfolio enhancements across multiple asset classes (both historically and in recent times), the fund has implemented processes to monitor and manage the risk of failing the YFYS assessment in the future.</p> <p>Having implemented these enhancements and retained conviction in diversifying assets to add value during challenging market conditions, the fund successfully passed the most recently updated YFYS assessment as at 30 June 2022.</p> <p>The trustee has also actioned a range of product and strategy enhancements aimed at enhancing members long-term retirement adequacy including pending enhancements to the Growth and Balanced option investment strategies.</p> <p>The trustee has chosen to explore this merger as it believes joining a larger fund will maximise the prospects of maintaining low fees and appropriate long-term investment performance.</p> <p>Investment returns are not guaranteed. The trustee considers past performance as well as the investment capability of the new fund (including process, resourcing and investment governance capability). Until the merger is confirmed, the trustee will continue to actively manage the investments of the fund in line with its current investment philosophy and objectives.</p> <p>As with all performance assessments it is important to note that past performance is not necessarily a reliable indicator of future performance.</p> |

| Questions | Group Super (the fund) response |
|--|--|
| <p>b) YFYS calculation methodology</p> <ul style="list-style-type: none"> <i>In August 2022, it was confirmed that APRA advised that our Accumulate Plus Balanced (MySuper) investment option had passed the Your Future Your Super (YFYS) 2022 Annual Performance Assessment. That advice stated the Annual Performance Assessment is a test that assesses the net performance returns of all MySuper products compared to a prescribed benchmark. To find out more on the 2022 Annual Performance Assessment results, visit the APRA website. Can I request that CBA Group Super provide us with some details of what this Annual Performance Assessment is and make some meaningful comparisons as to how our fund compares. This would make it easier for members to better understand these performance hurdles rather than for us to attempt to navigate through APRA's website.</i> | <p>Following the August 2022 announcement of the fund's MySuper option successfully passing the YFYS assessment, APRA subsequently (in December 2022) published the numerical comparison of the fund's MySuper option against their performance benchmark. The fund's MySuper option's performance test measure was -0.06% per annum, well above the (fail) threshold of -0.50% per annum over the 8 year period assessed https://www.apra.gov.au/mysuper-product-heatmap-0</p> <p>Regarding the calculation methodology, we understand the confusion as the assessment is complicated and is calculated differently for each superannuation product and relies on third party performance data.</p> <p>The assessment compares the net return performance produced by a superannuation product against the relevant benchmark determined by legislation and calculated by APRA. It is assessed over a period of the past 8 years of net returns to the end of a financial year.</p> <p>The fund's Accumulate Plus Balanced MySuper option's net return over the 8 year period to the end of the financial year (30 June 2022) is effectively compared to the net return of a hypothetical option using the fund's Balanced MySuper option's strategic asset allocation (SAA) over the 8 year period.</p> <p>In summary, the hypothetical comparison return is determined by using the fund's Balanced MySuper option's SAA over the 8 year period. For each of the asset classes within the SAA over this period, the performance of a prescribed asset class benchmark or index to determine the return series of this part of the SAA.</p> <p>For instance, if the fund's MySuper Option SAA allocated 9% to Australian unlisted property for a period of time over this period, APRA will allocate 9% of the hypothetical option's return over this same period to the following index: the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds). APRA uses various benchmarks or indices dependent on the asset class within an SAA. For details of these indices, refer to APRA's website at: https://www.apra.gov.au/investment-indices</p> <p>There are also assumptions and calculations for fees and tax. This also impacts the equivalent calculation used for the fund's MySuper net return comparison.</p> <p>As you can appreciate, for the vast majority of MySuper products, if not all of them, the manner in which some or all of a specific asset class is managed will differ to the index APRA references. For instance, the fund's MySuper option's property allocation includes a mix of retail, office and health care property which is very bespoke and different to the underlying properties in the index quoted above that APRA uses. Regardless of whether a particular asset has performed well or poorly, these index differences will create a difference in return for the property allocation comparison and for each asset class within the SAA.</p> <p>For this reason, it is difficult to compare the fund's results to APRA's calculations or YFYS results across superannuation products as every product has a different SAA and consequently YFYS assessment calculation. The assessment effectively measures the relative performance, net of fees and costs, of a superannuation product compared to a hypothetical option prescribed by legislation based on the chosen indices.</p> |

2.2 General investment performance

| Questions | Group Super (the fund) response | | | | | | |
|--|---|-------------------------|-----|------------------|-----------------|------------------|-----------------|
| <ul style="list-style-type: none"> I'm invested in the 'Growth' option. Despite ongoing contributions, the balance has barely increased over the past 12 months (if at all). Why is this the case? | <p>Over at least the last 12 months, there has been significant market volatility, unfortunately delivering negative returns. With the background of the challenging financial markets over the last year, these conditions have affected investors across the board, with the majority of superannuation products posting negative returns over the 12 month period to 31 December 2022*. This volatility has continued through 2023 to date.</p> <p>For further details on the financial markets backdrop, please refer to our December 2022 investment update.</p> <p><i>*Information published by SuperRatings as part of their monthly Fund Crediting Rate Survey (FCRS) showed that within the SR50 MySuper peer group, only 1 out of 50 posted positive net returns for the year to 31 December 2022. Data sourced from SuperRatings Pty Ltd (ABN 95 100 192 283, AFSL 311880).</i></p> | | | | | | |
| <ul style="list-style-type: none"> Could you advise the year on year changes of funds under management when sharing last year's performance? | <p>The table below outlines the funds under management (FUM) for the Balanced MySuper option.</p> <table border="1"> <thead> <tr> <th>Balanced MySuper option</th> <th>FUM</th> </tr> </thead> <tbody> <tr> <td>31 December 2021</td> <td>\$6,281,526,547</td> </tr> <tr> <td>31 December 2022</td> <td>\$5,727,373,059</td> </tr> </tbody> </table> | Balanced MySuper option | FUM | 31 December 2021 | \$6,281,526,547 | 31 December 2022 | \$5,727,373,059 |
| Balanced MySuper option | FUM | | | | | | |
| 31 December 2021 | \$6,281,526,547 | | | | | | |
| 31 December 2022 | \$5,727,373,059 | | | | | | |
| <ul style="list-style-type: none"> What investment strategies do you have in place to improve fund performance and reduce fees? Why our fund is performing very poor? The performance of the balanced and accumulation funds have been disappointing compared to the top 5 industry funds. What is being done to address the underperformance as I am seriously considering moving all of my super to another fund? Why has the Accumulate Plus investment option under performed relative to comparable industry superannuation funds over the past decade? Member returns are significant below that recorded when the OSF was in the top 8 profitable funds. Why is the present earning rate so low and what is being done to redress this parlous position? There was talk earlier this year that the Growth Super Fund was one of the worst performing funds, what has been done to improve the performance/return? Please explain why the fund has been delivering poor returns, and how does the Board justify the high remunerations the Executives are receiving by delivering poor results? | <p>While the fund's single sector options have outperformed objectives and peer medians over most periods and the fund's MySuper option has performed strongly relative to peers and APRA's benchmarks over the past 12 to 18 months, we acknowledge the longer term underperformance of the fund's diversified options relative to peers.*</p> <p>We believe this underperformance has been primarily driven by our philosophy of greater diversification and lower share allocations during a period that witnessed strong and sustained share returns, although this was rewarded over the most recent period leading to the fund's MySuper outperforming industry medians and APRA benchmarks.</p> <p>In addition to ongoing enhancements that have been carried out in recent years, the trustee continues to action a range of product and strategy enhancements including investment strategy changes to the MySuper and Growth options, with an increase to the risk and growth asset exposure of the fund's Growth options Refer updated Reference Guide: Investments: https://www.oursuperfund.com.au/content/dam/groupsuper/Docs/RG-Invest.pdf</p> <p>See trustee's duties below for a response on executive remuneration.</p> <p><i>* Data sourced from SuperRatings Pty Ltd (ABN 95 100 192 283, AFSL 311880) and published as part of their Fund Crediting Rate Survey to 31 December 2022.</i></p> | | | | | | |

| Questions | Group Super (the fund) response |
|---|--|
| <ul style="list-style-type: none"> <i>The Balanced plan for Group Super has performed fairly poorly last year, June 2022 showed fairly negative results. What was the reason? Is it expected to improve for the coming year?</i> | <p>It is correct to observe that the Balanced MySuper option returned a negative return over the financial year to 30 June 2022, with net returns equalling –3.5% for the year. This negative return experience was shared by almost all the fund’s superannuation peers with the majority of MySuper options returning negative figures over the 1-year period.*</p> <p>A key driver of these results was the rare dynamic of both share and bond markets simultaneously experiencing materially negative returns over the year. In this environment, the fund’s philosophy and investment beliefs which anchored its portfolio positioning helped its MySuper option outperform the peer median over the 1-year period to 30 June. Regarding investment market outlook, we expect to see continued market volatility with continued sensitivity to inflation and growth uncertainties over the next year, alongside an improved outlook for yield levels on fixed interest assets. Against this uncertain economic backdrop, we believe it is important to maintain a diversified portfolio.</p> <p><i>* Information published by SuperRatings Pty Ltd ABN 95 100 192 283, AFSL 311880 as part of its monthly Fund Crediting Rate Survey (FCRS). Including SR50 MySuper Index.</i></p> |
| <ul style="list-style-type: none"> <i>How can a conservative option have a negative return? Surely this is not acceptable?</i> | <p>Unfortunately, over the last 12 months or so, the investment markets have been challenging. One of the key reasons for the negative returns experienced across the fund’s Conservative option is the exposure to fixed interest or bonds. Not only have the share markets been volatile over this period but many of the traditional ‘defensive’ asset classes performed poorly over the 2022 calendar year. The 2022 year experienced some of the worst performance in bond and fixed interest markets on record, a key reason conservative-type options have posted negative returns over this period.</p> <p>By way of comparison, the 12 month performance to 31 December 2022 for the fund’s Accumulate Plus Conservative option of -3.37% was similar to the median return of the relevant superannuation industry peer of -3.19%.*</p> <p><i>*Information published by SuperRatings Pty Ltd ABN 95 100 192 283, AFSL 311880 as part of its monthly Fund Crediting Rate Survey (FCRS) including the SR50 Capital Stable Index median returns.</i></p> |
| <ul style="list-style-type: none"> <i>Why were the holders not warned that losses would occur as clearly reports were coming through to them advising?</i> | <p>We acknowledge no one likes negative returns. The fund offers a suite of investment options with various risk and return profiles. With most of the fund’s investment options’ investment strategies it is not unexpected to experience negative returns in the short term as indicated under the ‘Investment Risk’ description on the ‘Investment Option’ summary pages in our PDS and Reference Guides: Investments.</p> <p>For most members, superannuation is a long-term investment and we expect strategies with higher risk and return profiles, such as the fund’s Australian shares option, to have greater short-term volatility and falls in value but higher average returns over the longer term versus the fund’s options with lower risk and return profiles.</p> |
| <ul style="list-style-type: none"> <i>What has been the performance (1,3,5,7 years) of all distinct asset classes vs benchmark?</i> | <p>We do not ordinarily publish this information as members do not have direct access to our asset classes except for the single sector investment options.</p> <p>However, each of the fund’s asset class performance is published annually in the Annual Report (refer pages 12 to 14) available at: https://www.oursuperfund.com.au/content/dam/groupsuper/Docs/Annual-Report-2021-22.pdf</p> |
| <ul style="list-style-type: none"> <i>What has been the performance of each manager vs manager’s benchmark over 1,3, 5,7 year time horizons?</i> | <p>As members do not have direct investments with the fund’s investment managers, nor do the managers enter into any direct relationships with members or provide financial services to members, information on individual manager performance is not published. However, the Investment Team and Investment Committee regularly review the fund’s manager performance to ensure they remain effective and appropriate for the portfolio.</p> |
| <p>Trustee’s duties</p> | <p>The trustee has complied with its duties and at all times made decisions focussed on the best financial interest of members.</p> |
| <ul style="list-style-type: none"> <i>Will Board members forgo income and all benefits for each year the members super fell in value? So placing this income back into the member pool.</i> | <p>The trustee has complied with its duties and does not believe paying compensation is appropriate. The trustee does not earn revenue, or make a profit, from its role as trustee of the fund and does not believe doing so would be in members’ best financial interests. The fund operates on a profits-to-members basis, meaning fees are designed to only cover the costs of running the fund. Its focus continues to be on improving the outcomes provided to members.</p> |
| <ul style="list-style-type: none"> <i>What is the Super Board doing to compensation holders for their inactivity re complaint of losses in super value?</i> | <p>On the matter of executive remuneration, a balanced scorecard is used to inform matters including the assessment of risk behaviours and outcomes (such as member outcomes) for variable remuneration. The executive variable remuneration relating to each financial year is subject to meeting performance objectives, risk adjustment and deferral and are assessed at the end of each relevant financial year. The remuneration of executive officers for the 2022 financial year is available on the fund’s website at: https://www.oursuperfund.com.au/about-us/important-disclosures.html</p> |
| <ul style="list-style-type: none"> <i>How does the Board justify the high remunerations the Executives are receiving by delivering poor results?</i> | <p>On the matter of executive remuneration, a balanced scorecard is used to inform matters including the assessment of risk behaviours and outcomes (such as member outcomes) for variable remuneration. The executive variable remuneration relating to each financial year is subject to meeting performance objectives, risk adjustment and deferral and are assessed at the end of each relevant financial year. The remuneration of executive officers for the 2022 financial year is available on the fund’s website at: https://www.oursuperfund.com.au/about-us/important-disclosures.html</p> |

2.3 Peer performance

| Questions | Group Super (the fund) response | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--------------|--------------|--------------|--------------|--|--------|---------|---------|---------|----------|----------------------------|-------|------|------|------|------|---------------------|-------|------|------|------|------|---------------|--------------|--------------|--------------|--------------|--------------|
| <ul style="list-style-type: none"> What has been the performance of the high growth option vs peers over 1,3,5,7 years? | <p>The fund does not have a 'High Growth' option. Its highest risk option is the Growth option. The performance of the fund's 'Growth' Accumulation option relative to its SuperRatings peer group median over each requested period up to 31 December 2022 is set out in the table below.</p> <table border="1"> <thead> <tr> <th></th> <th>1 year</th> <th>3 years</th> <th>5 years</th> <th>7 years</th> <th>10 years</th> </tr> </thead> <tbody> <tr> <td>Group Super Growth Option^</td> <td>-4.4%</td> <td>3.0%</td> <td>4.7%</td> <td>6.1%</td> <td>7.2%</td> </tr> <tr> <td>Peer Group* Median^</td> <td>-4.8%</td> <td>4.0%</td> <td>5.4%</td> <td>6.3%</td> <td>7.5%</td> </tr> <tr> <td>Excess</td> <td>+0.4%</td> <td>-1.0%</td> <td>-0.7%</td> <td>-0.2%</td> <td>-0.3%</td> </tr> </tbody> </table> <p><i>*The peer group used for performance comparison is the SuperRatings SR50 Balanced (60-76) Index published within SuperRatings monthly Fund Crediting Rate Survey. Past Performance is not a reliable indicator of future performance. Data sourced from SuperRatings Pty Ltd (ABN 95 100 192 283, AFSL 311880).</i></p> <p><i>^Returns shown are net of investment fees, taxes and asset based administration fees.</i></p> | | | | | | 1 year | 3 years | 5 years | 7 years | 10 years | Group Super Growth Option^ | -4.4% | 3.0% | 4.7% | 6.1% | 7.2% | Peer Group* Median^ | -4.8% | 4.0% | 5.4% | 6.3% | 7.5% | Excess | +0.4% | -1.0% | -0.7% | -0.2% | -0.3% |
| | 1 year | 3 years | 5 years | 7 years | 10 years | | | | | | | | | | | | | | | | | | | | | | | | |
| Group Super Growth Option^ | -4.4% | 3.0% | 4.7% | 6.1% | 7.2% | | | | | | | | | | | | | | | | | | | | | | | | |
| Peer Group* Median^ | -4.8% | 4.0% | 5.4% | 6.3% | 7.5% | | | | | | | | | | | | | | | | | | | | | | | | |
| Excess | +0.4% | -1.0% | -0.7% | -0.2% | -0.3% | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> How is the performance of group super compared to the 10 best performers in Australia? | <p>It is important to note the fund has a range of investment options, each of which has performed differently relative to peers. When considering the peer relative* performance of the fund's options to 31 December 2022, we note the following:</p> <ul style="list-style-type: none"> The fund's default MySuper Balanced option: Relative to a peer group of 50 fund comparable options, the fund's default MySuper option outperformed the industry median through the year, although ranked below the top 10. Over longer-term periods the MySuper has lagged the industry median, a key driver being more conservative asset allocation. The fund's other diversified options: All of the fund's diversified options except for the Conservative option outperformed peer medians but were below top 10 for 12 months to 31 December. Most have lagged peer medians over a longer 10 year period. The fund's Single Sector options: The fund's International Share and Fixed Interest options have outperformed the majority of peers over almost all periods assessed and published by SuperRatings. The fund's International Share option performed in the top 10 of its peer group over the year and above median for almost all longer-term periods. The fund's Fixed Interest option provided returns in the top 5 of its peer group over 1, 3 and 5 year timeframes but lagged its peer median over 7 and 10 year periods. The Australian Share option lagged its peer median over the year but exceeded peer medians over the longer term. The Cash option has ranked just below its peer median over all periods. <p><i>*Peer Groups as published in SuperRatings' monthly Fund Crediting Rate Survey 31 December 2022.</i></p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> What is the ranking in performance amongst the peers? It is not easy to get this type of basic data. Group Super didn't even publish the performance for the last financial year. | <p>Over 12 months to 31 December 2022, bond and share markets dropped significantly in tandem.</p> <p>In this environment, the fund's MySuper option performed above median, due mainly to its allocation to alternative and diversifying assets. A majority of the fund's choice options outperformed their SuperRatings peer groups medians over the 12 months to December 2022.</p> <p>However, most diversified options have lagged peer medians over the longer term mainly because of the fund's lower share allocations. The trustee continues to action a range of product and strategy enhancements including investment strategy changes to the MySuper and Growth options, with an increase to the risk and growth asset exposure of the Growth option.</p> <p>Every month, the fund updates and publishes the performance of all its options over a range of periods (quarterly, 1 year, 5 year and 10 year performance). This can be found here: https://www.oursuperfund.com.au/investments/super-pension-performance/returns.html</p> <p>For the latest quarterly investment market update to 31 December 2022, please refer to the fund's website at: https://www.oursuperfund.com.au/about-us/news/2023-02-Investment-update-31Dec2022.html</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

2.4 General investment menu

| Questions | Group Super (the fund) response |
|--|---|
| <ul style="list-style-type: none"> Do you employ TAA or DAA in your strategies? | <p>The trustee does not employ tactical asset allocation (TAA) or Dynamic asset allocation (DAA). The Multi-Assets asset class, within the fund's diversified options, employs investment managers that may invest dynamically across a range of different asset classes and strategies. Where and how the managers invest depends on their market outlook at any given time.</p> |
| <ul style="list-style-type: none"> Are there any investments in crypto related assets? | <p>At this time, the fund does not hold any direct crypto related assets in its portfolio and there are no plans for its inclusion in the fund's investment strategy at the present time. At this stage we believe the risks of investing in crypto outweigh the benefits.</p> |
| <ul style="list-style-type: none"> Are there any investments into AI related companies within the fund? | <p>To our knowledge there are not any pure-play AI (or Artificial intelligence) companies with many companies harnessing AI in their business. Some of the key AI-related companies within the fund's holdings include Microsoft, Amazon and Alphabet to name a few. These three companies are in our top 20 holdings for international shares. Please refer to the fund's website at: https://www.oursuperfund.com.au/investments/managing-our-investments/investment-holdings.html</p> |
| <ul style="list-style-type: none"> Any exposure to Private Credit/Private Equity current or anticipated? Any other new asset classes? | <p>Each of the fund's diversified options has an allocation to Alternatives as outlined in the PDS and Reference Guide-Investments.</p> <p>Within this Alternatives allocation, there is a target allocation of around 55% to diversified Alternative credit which includes private credit and other specialised lending strategies. For a description of the asset class, refer to page 12 of the Reference Guide-Investments (include link to this document).</p> <p>Currently the fund does not have nor is it anticipating an allocation to Private Equity or any other new asset classes.</p> |
| <ul style="list-style-type: none"> Any options of buying managed funds or bonds | <p>Currently the trustee does not offer nor is it contemplating offering self-managed investment options, an option that gives a member the ability to select the investment strategy for instance by investing in a selection of managed funds or exchange traded funds.</p> <p>The fund does however offer a single sector Fixed Interest option and the fund's diversified investment options have exposure to Fixed Interest which includes various high quality Australian and global corporate bonds.</p> |
| <ul style="list-style-type: none"> Have group super invested heavily in Adani companies? And how much the impact on our super? | <p>The fund has a very small exposure, around 0.01% of the fund, in Adani-related share holdings. These holdings are managed by one of the seven investment managers appointed to manage the fund's global shares exposure. The manager with these holdings is a systematic manager, an approach akin to index management.</p> |
| <ul style="list-style-type: none"> What plans are there to offer additional investment options | <p>With the announcement of the proposed merger with Australian Retirement Trust, the fund has paused the consideration of new additional investment options.</p> <p>We are currently implementing a number of changes to some of the fund's diversified options with the Growth option investment objective and strategy changing to a more growth-orientated, high risk and return profile. Details on these changes will be found on the fund's website within the next couple of weeks.</p> |

3. ESG

| Questions | Group Super (the fund) response |
|--|--|
| <ul style="list-style-type: none"> <i>The emergence of ESG investment strategies is well documented but not fully understood by most Members in respect of investment return outcomes. I have observed a level of rhetoric in respect of promoting EGS strategies. The jury is out in respect of the benefits of ESG however at a company level the move towards ESG-centric results is well managed and from my perspective acceptable. Overlaying that at a Fund level strategy is of concern to me. What guidelines do you have ensure that the Fund's ESG investment strategy is carefully managed to ensure that the investment outcomes overall remain within Member expectations. There is an emotional and personal slant attached to EGS strategies which need to be carefully observed and managed for the benefit of all Members. A pure ESG investment strategy may include an environmental return or dividend which may be welcomed by some but others would prefer to opt for a return not influenced by pure ESG strategies. What specific strategies/guidelines are in place for the Fund in respect of EGS investment strategies?</i> | <p>The trustee must always act in the best financial interests of members and beneficiaries of the fund, which we believe includes consideration of ESG factors as part of our governance, decision-making and running of our fund. Some important ESG factors include good corporate governance, climate change and human rights to name a few.</p> <p>Generally, the trustee is not looking to make ethical judgments on behalf of members. The prioritisation of issues and approach to ESG is based on a recognition that ESG issues are important investment drivers and need to be integrated as part of the investment process and decision-making framework.</p> <p>From time to time the trustee may consider exclusions within the fund's investment strategy as outlined on page 2 of its 'ESG Policy'. The current exclusions include companies in tobacco, some fossil fuel related and controversial weapons.</p> <p>https://www.oursuperfund.com.au/content/dam/groupsuper/Docs/ESG-policy-1222.pdf</p> |
| <ul style="list-style-type: none"> <i>Does our fund support the forced detention of people groups in other countries?</i> <i>Please advise whether our fund undertakes investments or has dealings with any companies that operate in countries that use forced labour in manufacturing.</i> | <p>The fund/trustee does not support the forced detention of people groups in other countries. Respect for human rights is one of the key components of how the trustee undertakes its role as trustee of the fund. The trustee engages various service providers and undertakes due diligence which includes country and sanction risk assessments and an assessment of the risk of modern slavery to people in its operations, suppliers engaged and investment activities. Some of its providers operate in countries with higher prevalence of modern slavery than Australia. However, through its due diligence process and given its providers mostly operate in financial services, they are required to comply with the Modern Slavery Act 2018 (Cth) and have complying statements and/or assist the trustee to comply. We believe the instance of modern slavery within these businesses and supply chain is low.</p> <p>For further information, refer to the fund's Environmental, Social and Governance (ESG) Policy and Modern Slavery and Human Trafficking Statement 2022 at:</p> <p>https://www.oursuperfund.com.au/content/dam/groupsuper/Docs/ESG-policy-1222.pdf</p> |

4. Products and services

4.1 Fees

| Questions | Group Super (the fund) response |
|--|--|
| <ul style="list-style-type: none"> <i>Please provide an explanation/ details of all your admin/ fees incurred on our super accounts and what % they represent on our super balance. Would like to have greater transparency and visibility of fees charged.</i> <i>How much fees are charged annually?</i> | <p>Administration and investment fees apply to all Accumulate Plus and Retirement Access accounts in our fund. These fees are related to the general administration and operation of the fund and the investment of the fund's assets, which is the money in your account balance.</p> <p>The fees that apply to these accounts are made up of:</p> <ul style="list-style-type: none"> A fixed annual administration fee (\$77.65), which is deducted on a monthly basis directly from your account balance. An asset-based administration fee (0.12%), calculated as a percentage of your account balance – this fee is incorporated into the unit pricing process, reducing returns. Asset-based investment fees and costs, and transaction costs (which is different for each option), calculated as a percentage of your account balance – this fee is incorporated into the unit pricing process, reducing returns. <p>The regulatory environment is focused on transparency through disclosure. To find out more about the fees that are charged, refer to the PDS and/or Reference Guide for your account type. You can also refer to your statement in the member portal. For more information on how the fund's fees compare, please refer to the Member Outcomes Assessment which is published each year on the fund's website at:</p> <p>https://www.oursuperfund.com.au/content/dam/groupsuper/Docs/Member-outcomes-assessment-FY2023.pdf</p> |
| <ul style="list-style-type: none"> <i>Could you please advise the members how the change in fund administrator (to Mercer) has assisted the Super Fund, now that it has been in place for some time? What costs have been incurred to the fund and is this (or the same) as costs prior to the change?</i> | <p>On 1 March 2022, we transitioned the member administration and financial advice service provider to Mercer, appointed State Street as our master custodian and investment administrator. These significant changes were designed to streamline administration, optimise business operations and take advantage of new features and technology to support services and communication channels to members. These changes are continuing to be embedded with members utilising the Group Super Online Portal, Group Super App, financial advice services and tools.</p> <p>Cost savings realised because of transitioning the custodian and investment administration providers are passed through to the calculation of the investment management fees and costs. The fund's ratio of expenses relative to assets and the cost per member continue to be below the industry median.</p> <p>Further information on how the fund's operating costs compare is available in its Member Outcomes Assessment conducted each year.</p> |

4.2 Insurance

| Questions | Group Super (the fund) response |
|--|--|
| <ul style="list-style-type: none"> <i>Insurance Premium: are the members getting the best premium from the current provider and how do we know this. Thank you</i> | <p>The trustee's focus is to keep fees and costs low for members so they have more money in retirement. We have worked hard to negotiate with the fund's insurer over the years to ensure competitive death and TPD premium rates, noting that the fund's insurance arrangements have been rated as competitive by external rating agencies. The fund is a not-for-profit corporate fund and we regularly monitor the cost of premiums and continually look for opportunities to improve the fund's offering.</p> <p>For context, prior to 1 March 2022, there had not been an increase in death and TPD premiums since 2011, and during a time when many other funds experienced premium increases, the trustee was able to secure two significant decreases in premium rates for death and TPD cover in that time. This has ensured the fund's insurance costs have remained competitive when compared with many other superannuation funds.</p> <p>There has been an increase in insurance claims over recent years, i.e. claims experience. This increasing trend in mostly TPD claims across the industry and within the fund has seen the cost of providing insurance cover to members increase. The overall premium increase effective 1 March 2022 is due to this higher cost and is required to continue to appropriately cover the cost of providing insurance to members.</p> <p>An independent external actuarial consultant has found that the recent premium rate increase was fair and reasonable, and was consistent with the fund's claims experience; and that the competitiveness of the premium rates would not materially change after the increase. We will review the fund's insurance arrangements as part of the proposed merger to ensure they remain competitive.</p> <p>The following features also assist to keep the premiums members pay as low as possible: The fund is entitled to a tax benefit for the insurance premiums paid to the insurer. We pass this tax benefit on to members, so members pay the net premium, which is the gross premium reduced for the applicable tax benefit. As a not-for-profit fund, any premium reductions we are able to secure, are passed on to members in full.</p> |
| <ul style="list-style-type: none"> <i>What resources/support etc are available so members can better understand/calculate appropriate levels of insurance coverage re TPD and Life coverage and not paying for something that is not relevant/adequate to their life situation?</i> | <p>The level of life insurance most appropriate to you will depend on your own personal circumstances, including your life stage and financial commitments. A financial adviser may be able to assist you in determining the right level and types of insurance based on your financial needs and objectives. You can start the process of seeking advice by either engaging an adviser of your choice, or by contacting our specialist team of financial advisers over the phone on 1800 023 928 between 8am-7pm (AEST/AEDT) Monday to Friday or +613 8306 0977 if outside Australia.</p> <p>The type of advice offered by our team of advisers is known as intra-fund advice which is generally provided at no cost to members if using the service for advice relating only to your account in our fund. However, a fee may apply if the advice you are seeking extends to consideration of factors outside of your account in the fund.</p> <p>For more information you can visit the 'How much cover should you have?' (oursuperfund.com.au) page on our website. This page provides a link to an insurance needs calculator tool on the MoneySmart website.</p> |
| <ul style="list-style-type: none"> <i>Fees to cover for life insurance etc</i> | <p>Group Life insurance premium rates are included in our Reference Guide: Insurance cover (Death & TPD) (1 March 2022) on page 24 which you can access on our website at www.oursuperfund.com.au. The premiums deducted from your account can be viewed on the Account Activity in your online member account, the Group Super mobile app and are included in your annual member statement.</p> <p>If you have any questions about your account visit us at oursuperfund.com.au or call us on 1800 023 928, between 8:00am to 7:00pm (EST), Monday to Friday. If calling from overseas, phone +61 3 8306 0977.</p> |

4.3 Defined benefits

| Questions | Group Super (the fund) response |
|---|---|
| <ul style="list-style-type: none"> <i>I have been a member of defined benefits for 41 years and over this time have raised several times in inadequate Group Super rules associated with calculation of Superannuation Salary when on an AWA package arrangement which state 80% of base salary. (Cash Component) and this would not change as written in Fund Trust rules. I was amazed last year the CBA Group amended employee packages for some to Annualised Salary Package (ASP) and upon acceptance of this new contract your superannuation salary would increase to 87% of base salary. Did our Superannuation Trust rules change to accommodate this new contract and I thought Group Super was a separate entity from CBA Group.</i> <i>Why can the super salary for defined benefits not be 100%? Recently increased from 80% to 87%.</i> | <p>The superannuation salary used to determine benefit entitlements is provided to the fund and set by the employer under the fund Rules. The employer determines the superannuation salary based on its own policies to which the fund is not a party. The fund and the employer are separate legal entities. The fund's rules in relation to superannuation salary have not changed.</p> <p>For further information on the determination of your superannuation salary please contact the employer via HR Direct on 1800 989 696.</p> |

4.4 Product offerings

| Questions | Group Super (the fund) response |
|--|--|
| <ul style="list-style-type: none"> <i>With life expectancy averages increasing year on year the need to preserve and grow balances through selecting investments that support an individual's needs and best interests is most important. Why does the fund not offer the Australian Shares Option in Retirement Access mode? Retention of the current restriction around Retirement Access Options is inconsistent with member choice and potentially their best interests and implies that the Fund is making a call on a Member's risk profile and specific needs. That leaves no option where a Member prefers retaining Australian Shares in Retirement Access mode other than to withdraw from the fund and invest in Australian Share option with another provider. What does the fund propose in this respect please?</i> | <p>To date the fund has not offered an Australian Shares option within Retirement Access due to lack of appetite from its membership for this offering.</p> <p>Having recently reviewed the fund's choice menu and balancing the needs of the majority of members with the cost of increasing choice and complexity, we will not be expanding the investment choice offering, however as outlined in our presentation we will shortly up-risk or increase the shares exposure within the fund's Growth option.</p> |

4.5 Service offerings

| Questions | Group Super (the fund) response |
|---|---|
| <p>a) Member education</p> <ul style="list-style-type: none"> • <i>What forums / webinars will you be holding in educating / updating Super members in 2023 including transition to retirement etc?</i> | <p>The fund's education program now focusses on digital channels; delivered through its website, emails and online tools in the Group Super Online portal. In the 3 plus years that we ran our seminar and webinar program, member attendance rates were consistently low. Our findings indicate that members prefer digital delivery of educational and member update content and we have responded accordingly in our webinar service offering.</p> |
| <p>b) Member portal</p> <ul style="list-style-type: none"> • <i>The current members portal does not provide a graph of investment or account balance/performance. It is very difficult when you are only provided with a balance at a particular day. Understanding trends is important for decision making regarding changes to risk.</i> | <p>With the change of our administration service provider from CFS to Mercer effective 1 March 2022, we no longer have the facility to provide online performance charts tracking unit price movement of the fund's investment options.</p> <p>Each month on the fund's public website we provide the quarterly, 1 year, 5 year and 10 year returns for all the investment options. While not the granular level of the previous charts, the tables are intended to provide a view of the fund's investment options performance over a number of timeframes.</p> <p>On the fund's home page under 'All News and Updates' members can read the latest investment market information along with other important information.</p> <p>The fund's website also provides resources to assist members with understanding the performance of their investments and planning for the future, available at https://www.oursuperfund.com.au/investments/super-pension-performance/returns.html</p> <p>In addition, members can access our enhanced online services through our new Group Super Online member portal and Group Super App. Through these tools members can check their account balance and insurance cover, estimate their retirement income, change their investment options, combine their super accounts and access our e-advice tool.</p> |
| <p>c) Phone withdrawal</p> <ul style="list-style-type: none"> • <i>I would like to withdraw over the phone - if and when I go overseas. Surely there will be circumstances when this will be possible? One doesn't always have one's laptop present etc. etc.</i> • <i>Will the fund manager please reinstate a simpler withdrawal process as was the case previously.</i> • <i>The current withdrawal process is by far a disadvantage to members. At least a week for funds and the unit price is not locked in until the request is processed. What can you do to return us to the telephone request with unit prices locked in the same day and funds in the account within 48 hours?</i> | <p>With the change of administration service provider from CFS to Mercer effective from 1 March 2022, we no longer have the facility to conduct over the telephone withdrawals. Members are required to complete a paper-based form with each payment request and in some circumstances provide supporting documents such as certified identification.</p> <p>We acknowledge that the change in the withdrawal process offers less flexibility to members. However, this change in process coincided with the fund's change in service provider, aimed at predominantly protecting members against fraudulent activities; and is reflective of the evolution of the heightened cyber security risk environment over time.</p> <p>On receipt of a completed form by members, their payment is expected to be processed within 3 business days where we have received complete information from members. We encourage members to factor in this processing time when considering the timing of future requests for payment.</p> <p>In addition to completing the withdrawal form, we require certain documents to be certified and to see an original signature of the certifier in order to protect members' superannuation and prevent fraudulent activities. If members' personal and/or banking details have changed they will need to provide new certified ID. Please note this needs to be submitted by post.</p> |
| <p>d) Conditions of release</p> <ul style="list-style-type: none"> • <i>What are the current laws for accessing Superannuation prior to official retirement? E.g. If I am 60, can I access part of my Superannuation before reaching 67? If so, what are the conditions?</i> | <p>See below for conditions of release to withdraw superannuation in cash.</p> <ul style="list-style-type: none"> • You are withdrawing unrestricted non-preserved benefits only. • You have reached your preservation age and have retired, and do not intend to seek gainful employment for more than 10 hours per week. • You have turned 60 years old and have ceased a gainful employment arrangement since turning 60. • You have turned 65 years old. • You have met the condition of permanent incapacity*. • You have met the condition of having a terminal medical condition*. • You are in severe financial hardship*. • You have met specified compassionate grounds*, as approved by the Australian Taxation Office (ATO). • You have left an employer and your preserved benefit is less than \$200. • You are or were a temporary resident and met one of the above conditions of release before 1 April 2009, and you have now left Australia. (Note: If you met a condition of release on or after 1 April 2009, you should complete our Withdrawal form for Temporary Residents.) <p>* <i>There are additional requirements to process these withdrawals.</i></p> <p>If you are considering withdrawing from your account, you should of course take appropriate professional advice at the time.</p> |

4.6 Service provider transition

| Questions | Group Super (the fund) response |
|---|--|
| <ul style="list-style-type: none"> <i>During the partial sale of OSF the market was significantly dropping and many members wished to change to a less risk fund. However they were unable during the sale resulting in many members superannuation losing significant value. The non-trade period was way too long.</i> <i>Why the service from the new administration is so bad they take nearly a month to resolve a simple request?</i> <i>Why the administration team do not provide responses to queries when ask for?</i> | <p>The trustee appointed Mercer and State Street to manage the Fund's member administration/financial advice and custody services respectively from 1 March 2022. The fund changed administrator, there was not a partial sale of the fund.</p> <p>We acknowledge the inconvenience faced by a number of members due to the inability to transact throughout the limited services period prior to the transition in March 2022.</p> <p>For a transfer of administration of the type undertaken by the fund, a limited service period was required to limit the processing of transactions by both the incumbent and new administrators. This was necessary to ensure the transfer of the significant amount of member accounts data could be managed with minimal impact and to ensure the continued security, accuracy and integrity of all data required for the ongoing administration of our member accounts and to complete thorough reconciliations and checks to ensure that all systems were operating effectively. The trustee endeavoured to ensure the processing of transaction recommenced as soon as possible.</p> |
| <ul style="list-style-type: none"> <i>Why change service providers when the new service is inferior to the old one?</i> | <p>The regular review of all service providers is an important part of the trustee's governance. In 2018, the trustee commenced a review of its operating model and member and investment administration services previously provided by CFS.</p> <p>As a result of this review and in recognition of the diverging strategic priorities of CFS, the trustee appointed its new providers, including Mercer as the fund's new administrator. CBA's announcement of the sale of CFS in May 2020 further strengthened the trustee's need to proceed with its service provider transition.</p> |
| <ul style="list-style-type: none"> <i>Did you do due diligence before choosing Mercer, as they are now shown to be fraudulently promoting 'green' superannuation product?</i> | <p>The trustee undertook a comprehensive tender and due diligence process, in accordance with both its outsourcing policy and regulatory guidance, to select Mercer effective from 1 March 2022.</p> <p>Mercer's relationship with the fund is limited to providing member administration, taxation and accounting and financial advice services to the fund. The fund is not a part of any Mercer superannuation funds and does not invest in any Mercer investment funds.</p> <p>We are unable to comment, as you would appreciate, on matters currently under review by ASIC or other regulators.</p> |
| <ul style="list-style-type: none"> <i>What was the cost of moving to Mercers and their new system, and presumably that was borne by members? Similarly, what costs are likely to be involved in the move to Australian Retirement?</i> <i>Members were originally told lifecycle would be implemented early in 2022, so wouldn't there already have been substantial members money spent on this implementation before the merger process was underway, which now won't be used. Same for the cost to move to Mercer & now new cost to move to ART?</i> | <p>In making the decision to move to Mercer, the trustee is required to act in member best financial interests, which would include an assessment of cost relative to benefits. This will be the case also for any decision to merge.</p> <p>Cost savings were realised because of transitioning the custodian and investment administration providers and have been passed through to the calculation of the investment management fee.</p> <p>The timing of the trustee's decision to pause the introduction of a new Lifecycle option considered a range of factors, including the investment required in project and implementation costs if the initiative had proceeded as originally planned. Should the proposed merger with Australian Retirement Trust proceed, members will be able to access a Lifecycle investment strategy in the merged fund.</p> <p>Unfortunately, the confidentiality of these matters prevents us from disclosing the information sought relating to costs at this stage.</p> |

5. Cyber security

| Questions | Group Super (the fund) response |
|---|---|
| <p>a) Cyber security</p> <ul style="list-style-type: none"> • <i>Is my group super fund safe?</i> | <p>We take the security and protection of member information seriously and your privacy is a key concern. We operate an information security program aligned to industry best practices and standards. We conduct extensive risk assessments of the fund's service providers to ensure information they manage is protected to the same level.</p> <p>We can offer extra security measures on your account including adding additional security questions. Please contact our Helpline team on 1800 023 928 if you would like these additional measures put in place.</p> <p>We also refer you to the fund's Privacy Policy, available at the link below. This policy contains details on what information we hold and how we keep your information safe. https://www.oursuperfund.com.au/content/dam/groupsuper/Docs/Factsheet-privacy.pdf</p> <p>For further information concerning protecting your superannuation and our members, please refer to our website at: https://www.oursuperfund.com.au/about-us/news/2022-10-Protecting-your-super.html</p> |
| <p>b) Technology</p> <ul style="list-style-type: none"> • <i>Can questions for the AMM be submitted anonymously?</i> | <p>Unfortunately, it is not possible to raise a question anonymously during the registration process. You will, however, be able to raise a question anonymously during the meeting itself, via the live Q&A app that will be available within the meeting broadcast.</p> |

6. Personal circumstances questions

| Questions | Group Super (the fund) response |
|---|--|
| <ul style="list-style-type: none"> • <i>We received a number questions relating to, among others, personal circumstances of members.</i> | <p>Questions relating to personal circumstances; personal advice; certain commercial; legal and confidential matters cannot be addressed as part of the meeting.</p> <p>We understand that members have different circumstances, goals and objectives for their superannuation and plans in retirement. The fund's website provides general information and fact sheets to assist members. We offer a phone-based intra-fund financial advice service, generally at no additional cost to fund members to assist them to plan for the future.</p> <p>Please do contact us for more information on 1800 023 928 or +61 3 8306 0977 (if calling from outside of Australia) from 8am to 7pm (AEST/AEDT) Monday to Friday.</p> |

7. Questions of similar nature

The below questions are of a similar nature to those in 1.3 on the proposed merger relating to the Commonwealth Government Guarantee. A corresponding response to these questions can be found in 1.3.

How will the proposed move to Australian Retirement Trust impact any guarantees associated with Defined Benefit funds.

Under the Commonwealth Bank Sale Act 1995, the Commonwealth Government guarantees the payment of benefits from the fund in respect of a person who was a member, retired member or beneficiary of the fund immediately before the Sale. Will this guarantee remain in place if the potential merger with Australian Retirement Trust proceeds? Should this question not be appropriate for the AGM please pass onto the appropriate person for a response back to me. Thank you.

Please provide confirmation as to how the Commonwealth Guarantee under s117(3) of the Commonwealth Banks Act 1959 would be dealt with under the proposed successor fund transfer to Australian Retirement Trust, when both trustees must agree there will be equivalent rights in respect of benefits on the transfer? The Guarantee provides for due payment of any amount that is payable to or from Commonwealth Bank Group Super by the Trustee Commonwealth Bank Officers Superannuation Corporation Pty Limited or by Commonwealth Bank of Australia, in respect of a person who was a member, former member or beneficiary immediately before the privatisation of the Bank in 1996. Is it for example proposed to seek to avoid extinguishment of the Commonwealth guarantee by having the guarantee perpetuated in Australian Retirement Trust? While this issue clearly has particular relevance for affected defined benefit members, the Commonwealth guarantee also applies to affected defined contribution members and beneficiaries.

With respect to the proposed merger. For Defined Benefit Division B Members will the Government Guarantee continue, as per member Booklet Page 4 of 28?

When the CBA was privatized, I understood part of the arrangements included a guarantee by the Commonwealth Government of the superannuation fund - if so and if this is this correct, is this guarantee still current?

If the proposed merger with Australian Retirement Trust goes ahead will the existing Government guarantee continue?

Can you please provide an update on the proposal for change of ownership of CBA Group Super, in particular around continuation of CBA liability to ensure solvency and payment arrangements for defined benefit funds together with continuation of Australian Government Guarantee.

As a defined benefit member, with a lifetime pension. At present the Commonwealth Government guarantees CBA's obligations (Commonwealth Bank Sale Act). Could you please explain to me how the Government Guarantee would be dealt with on a merger with Australian Retirement Trust.

Email letter of 21 Feb 2023 states that your existing defined benefit arrangements, including lifetime pension arrangements, will continue. Those arrangements include the Commonwealth Government Guarantee of my lifetime pension. Will the Commonwealth Government Guarantee continue after the proposed merger? What steps have you taken to ensure that the Commonwealth Government Guarantee will continue after the proposed merger?

Will the existing Commonwealth Government guarantee of defined benefits be preserved?

I note that Group Super is considering a merger with Australian Retirement Trust. When the Commonwealth Bank was privatised by the Commonwealth Government in 1991, the legislation to enable the sale provided for a Commonwealth Government guarantee of the superannuation entitlements of employees who were superannuation fund members at a specified date. Has the existence and continuation of this guarantee been considered in the merger discussions? Can the Board confirm to the relevant Group Super members that they will continue to have the benefit of the guarantee if the merger proceeds?

What steps are being taken to ensure the Commonwealth Government guarantee applies whether by novation or otherwise to the merged fund?

Re Merger with ART: The FAQs did not mention anything about the Commonwealth Guarantee that exists. That is when the Commonwealth Government fully privatised CBA on 19 July 1996, The Federal Government guaranteed the super of people who were OSF members immediately before that time. How will that continue at ART?

Will the trustees ensure that all benefits will be transferred and not be diminished. The members must not have decreased benefits, including and especially the government guarantee. If the benefits are reduced, surely the trustee is not acting in the best interest of the members, i.e. as per their fiduciary duty.



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