

Group Super News

Your member update

Retirement Access | August 2020

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A note from Rosemary Vilgan
Chair, Trustee Board

“In challenging times, the continued focus on members’ best interests and financial wellbeing is our priority.”



Like many, I have been shocked and saddened by the extraordinary events of 2019-20. Devastating bushfires, geopolitical unrest, and the sad health and economic impact of the

Coronavirus pandemic. It’s been a year like no other. I hope you and your loved ones are safe and well, and have support networks around you. We aim to be a part of those networks when it comes to your financial wellbeing and savings for the future.

From the fund

In addition to managing the events above which impacted all, the fund over the past year has been working on other key areas that impact your superannuation.

Over the past year, we have also been conducting an in-depth review of providers that look after member and investment administration as well as custody services. For this review, we are looking to the wider market. We are focussing on emerging technologies; new and additional services

the market place offers; and importantly how organisations fit with our strategic direction to provide the best long-term outcomes to members. We are making good progress and we plan to share the results of our review in early 2021.

Investing in a shared future...while keeping a close eye on today

Investment markets have had a rollercoaster of a year with sharemarkets posting some of the fastest and largest falls we have seen in recent history, followed by a swift partial recovery. The benefits of diversification helped to cushion our member balances from the extreme volatility. As you’ll see on your benefit statement, our investment options posted minimal positive returns and in some cases negative returns for the 12-month period to 30 June 2020, largely driven by the effects during early 2020. While market returns can be unpredictable in the short term, we expect that returns will be more stable over the long term and we remain committed to building portfolios to meet long term

objectives. We encourage our members to focus on long-term returns and to remember that, historically, volatility is a natural part of the investment cycle.

Thank you

My sincere thanks to all of you who allow our fund to continue our commitment to achieving the best possible outcomes of our members. Given the tumultuous year and the fund’s continued performance, I would like to acknowledge the first year of Scott Durbin’s leadership as the fund’s CEO. I thank my fellow directors for their dedication. In particular, I would to thank Cassandra Williams, who departed the Board during this year, and welcome Chris Williams to the Board. The directors also join me in appreciation of the Trustee Services team, our administrators, investment managers, insurer and service providers who make our members their focus.

It is our privilege to look after your savings for retirement, and we thank you for allowing us to help you on your path towards financial wellbeing.

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Looking out for more than just your future.

When it comes to investing members' super savings, our primary goal is to achieve returns that meet the long-term investment objectives we set for our options. This includes taking diversification, along with wider-reaching investment impacts, into account.

Real assets

The prominence of super funds investing in sharemarkets can sometimes eclipse the significance of funds investing in 'real assets', or those assets that are more permanent and tangible, such as property and infrastructure (i.e. utilities and essential community services). We invest in real assets both in Australia and internationally, with the fund sharing direct ownership of assets and indirect ownership through listed or unlisted trusts for other real assets.

Investing in real assets plays a key role in our fund's investment strategy. They provide access to opportunities not available in listed markets; generally have predictable cashflows (e.g. rental income) that increase with inflation; and are often less sensitive to economic fluctuations than other asset classes. As a result, exposure to real assets can benefit our members by offering long-term returns and diversification within our diversified investment options, which aligns to our core investment beliefs.

Locally focused, but globally aware

Our real asset investments include infrastructure (e.g. airports) and property assets located within Australia and internationally. Some examples include:

Brisbane Airport Corporation (BAC)

Airports play a critical role in our domestic economy. Across Australia, airports continue to drive growth and development of regions in areas such as tourism, commerce and education.

The COVID-19 crisis has directly affected BAC, with the airport effectively closed over this period. Despite this, based on historical performance, we expect it to be a stable long-term asset that is financially sound with an ongoing lease of around 80 years granted by the Federal Government.

BAC also maintains a strong focus on sustainability and environmental matters, including airport initiatives on carbon emissions, food waste and biodiversity.

Barwon Institutional Healthcare Property Fund (BIHPF)

BIHPF owns and develops a range of Australian community healthcare facilities, such as mental health centres and private hospitals – the development of Gosford Private Hospital on the Central Coast of NSW is one such example.

We are supporting BIHPF to inject further investment in this facility, which will deliver 12 new surgical theatres, additional beds, an expanded surgery unit and a new maternity ward to meet continually increasing demand.

We also explore global opportunities. Not only does maintaining an international lens provide us with a wider range of investment opportunities, but expanding our geographic footprint helps further diversify our portfolio's exposure. Some of our global investments include:

Kinland – Child care property

Late last year, we were excited to secure material ownership in a portfolio of social infrastructure assets in Scandinavia. This investment plays a key role in delivering childcare assets to more than 100 municipalities across Norway, Finland and Sweden.

District Heating – Kvitebjørn Varme AS., Tromsø Norway

In communities that endure extreme cold, such as in Tromsø, demand for heat is high and continuous. 'District heating' is a system that pumps hot water through pipes around a district to meet heat demand, providing more sustainable heating solutions by reducing costs and pollution.

We invest in Kvitebjørn Varme, which operates the district heating network in Tromsø. Through a 55-kilometre network of underground pipes, it exclusively provides district heating to the city's buildings and streets, primarily from sustainable and low carbon generation technologies.

We believe district heating represents an attractive and resilient market that serves the community in an environmentally friendly and sustainable manner.

COVID-19's impact on real assets

Generally, there has been an impact on most asset classes in some way from the major economic disruption associated with the COVID-19 pandemic. Real assets are no exception, with some likely to be more affected than others. The impact on returns has generally been due to factors such as reduction in air travel, closure of retail shops and the cessation of elective surgeries.

In our case, this has meant our real assets portfolio returned approximately -1.3%¹ over the 12-month period to 30 June 2020. Over the same period, the Australian shares S&P/ASX 200 index returned approximately -7.68%.

Real assets make up only one component of our diversified investment options. Our investment approach seeks to minimise members' exposure to volatility in any one particular asset class. In the case of our Balanced option, real assets make up approximately 18% of the option's strategic asset allocation.

The road ahead

Together with our investment managers and advisers, we continue to monitor and assess the fitness of all our portfolios to meet the investment objective we set for each of our investment options. As the effects of the pandemic on assets and economic outlooks continue to emerge, and as our fund's local and global investment journey moves forward, we maintain our commitment to achieving returns that meet long-term investment objectives.

¹ Real assets returns shown are before investment fees and taxes (note this also applies to the S&P/ASX200 return).

Important note: You should remember that returns are not guaranteed. Returns may be positive or negative and negative returns will reduce your account balance. Past investment performance is not a reliable indicator of future performance.





Good corporate citizenship

We're conscious of the fact that investing a large pool of members' money requires careful consideration of broader non-financial matters for our investments. We have created our environmental, social and governance (ESG) strategy and Climate Change Position Statement to guide our long-term investment outcomes when we consider our investment

choices. You can read more about these on our website oursuperfund.com.au/esg.

Balancing savings and sustainability

Real assets are a significant part of our diversified investment strategies. While we consistently work to enhance investment returns over the longer term, we also aim to invest your super in assets that produce benefits to the wider community where possible.



Eyes wide open: watch out for pandemic scams.

While these challenging times have seen some of the best of humanity, unfortunately there are those who seek to take advantage of others in a time of vulnerability. The pandemic has not stopped scammers from being hard at work.

Ways to help protect yourself and your money from scammers:

- Never give out any identifying details
- Never disclose any super, pension, or bank account details, regardless of the offer
- End the call and verify their identity by contacting their organisation using a number found independently, for example via an online search.

For more details on COVID-19 and other superannuation scams visit:

- www.scamwatch.com.au
- www.moneysmart.gov.au/how-super-works/superannuation-scams



Check out additional information to help you manage your money during the pandemic at www.moneysmart.gov.au/covid-19.

Did you know about our spouse membership option?

Would your spouse or partner also like to enjoy many of the same benefits of Group Super membership? If so, simply visit oursuperfund.com.au/spouse to find out more about opening an Accumulate Plus account! You can also find out more in the Member Guide (PDS) for Accumulate Plus at oursuperfund.com.au/pds.

You'll both need to complete the application form, and as a member you will need to make a first spouse contribution to the new account. Easy!

If your spouse is interested in a Retirement Access account, they must open an Accumulate Plus account first to become a member of our fund; after which they can choose to open a Retirement Access account.



Want to talk about your Retirement Access account?

Talking to our contact centre team about your Retirement Access account and getting the answers you're looking for can go a long way in helping you take control of your account. They're available to discuss your account Monday to Friday, 8am-7pm (AEST/AEDT).

Simply call **1800 023 928** to get started!

You also have the option to speak to the phone-based team of financial advisers¹,

who can provide advice on aspects of your Retirement Access account at no additional cost to you. For more information, including terms and conditions, visit oursuperfund.com.au/advice or call **1800 023 928** and ask to speak with the Advice Essentials team.

¹ Advice relating to Retirement Access is provided by the Advice Essentials team, operating under Commonwealth Financial Planning Limited (ABN 65 003 900 169, AFSL 231139).



Member notices.

Changes to investment-related fees and costs effective 1 July 2020

Super funds are required to disclose certain information about fees and costs based on fees and costs incurred in the previous financial year. This means investment-related fee and cost estimates may change each year. The updated estimates of investment-related fees and costs for the 12 months to 30 June 2020 are outlined in the table below, together with the prior year estimates for comparison. You can read more about these changes to fees and costs in the Supplementary PDS for Retirement Access issued on 1 July 2020, available from oursuperfund.com.au/pds.

Important notes to keep in mind:

Past costs are not a reliable indicator of future costs. Investment-related fees and costs are not the only fees and costs that may apply to your account. For example, an administration fee is also charged. There are no changes to other fee types or amounts at this time. For further details of the fees and costs that may apply to your account, you should read the Supplementary PDS, which is available from oursuperfund.com.au/pds or you can call us for a copy.

Updated estimates of investment fees for the 12 months to 30 June 2020





	OLD Estimated investment fee (total) for 12 months to 30 June 2019 (%pa)	NEW Estimated investment fee (total) for 12 months to 30 June 2020 (%pa)	Estimated annual effect of this change for a \$50,000 account balance
Cash	0.07	0.06	-\$5
Conservative	0.32	0.33	\$5
Moderate	0.43	0.44	\$5
Balanced	0.50	0.55	\$25
Growth	0.51	0.58	\$35

Temporary reduction of pension drawdown rates

The government has temporarily reduced minimum drawdown requirements for account-based pensions, transition to retirement income streams (TRIS) and similar products by 50 per cent for the 2019-20 and 2020-21 income years.

This measure is designed to provide more flexibility for retirees through the COVID-19 (Coronavirus) pandemic, and to help them manage the impact of financial market volatility on their retirement savings. For more information, read our Member Guide (PDS) for Retirement Access from oursuperfund.com.au/pds.

Retirement Access members

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This newsletter was prepared on 12 August 2020 by Commonwealth Bank Officers Superannuation Corporation Pty Limited (the trustee) (ABN 76 074 519 798, AFSL 246418), trustee of Commonwealth Bank Group Super (the fund) (ABN 24 248 426 878). The information is prepared for members for general information only and does not take into account your individual objectives, financial situation or needs. You should consider the information and how appropriate it is having regard to your own objectives, financial situation and needs. You should obtain and consider the Product Disclosure Statement (PDS), Reference Guides and Update Notices relating to the product from our website oursuperfund.com.au/pds before making any decision about whether to acquire or continue to hold the product. You should also consider seeking professional financial advice tailored to your personal circumstances from an authorised financial adviser. GroupSuper/1550/0820

New Retirement Access PDSs issued

It's important that you always refer to the most up-to-date information when considering or making any changes to your Retirement Access account or when making decisions that may affect your financial future.

We issued a new product disclosure statement (PDS) titled Member Guide for Retirement Access, along with updated Reference Guides on 1 April 2020. Key changes relate to:

- Investment objectives for all investment options
- Standard risk measures for most investment options
- Temporarily reduced pension drawdown rates
- Key tax rates and thresholds for 2020-21.

We also issued a Supplementary PDS for Retirement Access on 1 July 2020, with updated estimates of investment-related fees and costs for the 12 months to 30 June 2020.

Copies of these documents are available from oursuperfund.com.au/pds or by calling us.