

Group Super News

Your member update



A note from Rosemary Vilgan

Chair, Trustee Board



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Defined Benefits | October 2022

As we draw closer to the end of 2022, it has been yet another eventful year on many fronts. The COVID pandemic continues to affect everything from healthcare to world economies. The Russian invasion of Ukraine sadly shows little sign of resolution. And here at home we had a change in federal government with the May 21 election. For our fund, this year has brought its challenges along with its rewards.

We transitioned our Accumulate Plus and Retirement Access products to a single member administration provider being Mercer Outsourcing (Australia) Pty Ltd and established a master custodian with State Street Australia Limited in March this year. We thank those of you affected for your patience during the limited service period at that time.

While not necessarily applicable to Defined Benefit members, the Your Future, Your Super annual performance assessment has taken place for FY 2021-22. I'm pleased to say our fund's Accumulate Plus MySuper option has passed the performance test.

Thank you

As always, but this year more than ever, my sincere gratitude goes to all who are committed to serving our members. I thank my fellow directors and our fund's Trustee Services team for their hard work and perseverance, and you, our members, for your support. We appreciate your continued trust in us – it is a privilege to look after your savings for retirement.

Our retirement income strategy.



Group Super has a clear purpose: to help members towards a better retirement and provide members with confidence along the journey.

Understanding our members and their needs before and during retirement is key, and as part of this important work, we have implemented a Retirement Income Strategy (Strategy).

We aim to support members who are retired or who are approaching retirement by recognising different members need different levels of support, and by ensuring current services and products offered to our members approaching retirement and in retirement are effective in helping them meet the three objectives outlined. Where appropriate, we aim to enhance or add to our current service and product offerings to address any needs identified to improve retirement outcomes for members, including for different sub-groups within our membership.

→ For more details on our Strategy visit our website, and while you are there visit oursuperfund.com.au/retirement, our 'Retirement hub' containing articles, helpful links, calculators and information on how to obtain financial advice⁴.

What the Strategy aims to achieve



The Strategy is focussed on members who are retired or who are approaching retirement¹. Its goal is to achieve and balance the following retirement income objectives:

- 1 Maximise income** – to maximise expected retirement income² over the period of retirement.
- 2 Manage risks** – to manage expected risks (e.g. longevity, inflation, market volatility) to the sustainability and stability of a member's retirement income over the period of retirement³.
- 3 Access funds flexibly** – to have flexible access to expected funds over the period of retirement.

¹ Age 50 has been identified as the age from which our members become more noticeably engaged.

² Retirement income is defined as 'income drawn from the fund in the form of a Retirement Access pension or Defined Benefit lifetime pension together with any Age Pension the member is entitled to and any other savings the member has access to from which income can be drawn'.

³ Period of retirement is defined as the 'period of time commencing when a member first commences a Retirement Access pension or Defined Benefit pension, continuing until the member dies or otherwise leaves the fund'.

⁴ Advice is provided by Mercer Financial Advice (Australia) Limited (ABN 76 153 168 293, AFSL 411766).

Market volatility and super.

Superannuation assets are invested across multiple asset classes and geographies.

This 'spread' of investments is designed to reduce exposure to adverse market events. However, the recent market downturn has impacted most asset classes across the board, with returns having generally suffered over the shorter term as well.

Notably, recent high inflation has resulted in actual or expected interest rate rises, weakening both share and bond markets at the same time. This year has seen some of the worst performance in bond markets on record, coinciding with volatile share market performance. Interest rates have been at historic or near historic lows and there have been intense shifts in bond yields as a result of market expectations of multiple official interest rates hikes to curb inflation.

Since the start of this year, in anticipation of future interest rates rises and based on central bank announcements and policy setting, many of the expected rate rises have already been priced into the current bond capital values, which helps to explain the significant fall in the fixed interest market.

The cyclical nature of markets means short term rises and falls in super are to be expected, with long term performance being the more important focus.



Information regarding declared and crediting rates for DB can be found on your benefit statement, and our Annual Report available at oursuperfund.com.au/annualreport.

Proof of identity: Helping protect your super.

Identifying our members is an important part of our obligation to keep your account safe and to prevent illegal activity, such as anti-money laundering and counter-terrorism financing.

When you call us, we'll ask you some questions so that we can verify your identity against our records. We're also required by law to receive certified copies of your proof of identity documentation before we can process certain transactions. Certified copies must be original and provided by post.

You'll be asked to provide certified proof of identity documents before we can process a request for a payment made outside of the super system.

There are certain individuals qualified to certify – to find out more, download our 'Who can certify documents' fact sheet at oursuperfund.com.au/factsheets.

These processes are in place to safeguard your super from fraudulent and illegal activities. They may feel like a brief inconvenience, but over the long term, they go a long way in helping to protect your savings.



Member notices.

! Notices to in-service (employee) members of Division CB, CC, CD, CE, CF, CH, CN or CO who have an accumulation-style account(s) eligible for investment choice within that division.

Changes to investment-related fees and costs effective 1 July 2022

Super funds are required to disclose certain information about fees and costs incurred in the previous financial year. The updated estimates of investment fees and costs and transaction costs for the 12 months to 30 June 2022 are outlined in the following table.

Past costs are not a reliable indicator of future costs. Investment fees and costs and transaction costs include components that vary from year to year and can't be calculated precisely in advance. The amount you pay in future years depends on the actual fees and costs we incur in managing the investment options in those years.

There are no changes to other fee types or amounts at this time. Details of the fees and costs that may apply to your accumulation-style account are in the Defined Benefit Supplement: Investments and fees available at oursuperfund.com.au/memberbooklets.

Changes to estimates of investment fees and costs and transaction costs for the 12 months to 30 June 2022

Investment option	OLD	NEW		Estimated annual effect of these changes to fees and costs for a \$50,000 account balance
	Estimated investment fee (total) for 12 months to 30 June 2021 (% of balance p.a.)	Estimated investment fees and costs for 12 months to 30 June 2022 (% of balance p.a.)	Estimated transaction costs for 12 months to 30 June 2022 (% of balance p.a.)	
Conservative	0.30	0.33	0.05	\$40
Moderate	0.41	0.43	0.08	\$50
Balanced	0.52	0.52	0.11	\$55
Growth	0.54	0.53	0.11	\$50
Cash	0.06	0.10	0.00	\$20

Changes to disclosure requirements mean that investment fees and costs and transaction costs are disclosed separately for the 12 months to 30 June 2022, compared with a single investment fee (total) for the prior period.

These fees and costs are in the Defined Benefit Supplement: Investments and fees issued on 29 September 2022 and available from oursuperfund.com.au/memberbooklets.

Administration asset based fee as at 30 June 2022

Accumulation-style account(s) eligible for investment choice received a 3-month fee rebate of the administration asset-based fee of 0.12% for the period 1 April to 30 June 2022 on 30 June 2022.

Changes to strategic asset allocation ranges

From 1 March 2022, the strategic asset allocation ranges for the Diversified (pre-mixed) options changed, and then again, from 31 March 2022, for the Balanced option. Effective 1 March 2022, the investment risk and minimum suggested investment timeframes changed for the Moderate and Balanced options. For more information, read the Update Notice issued on 28 April 2022, available at oursuperfund.com.au/memberbooklets.

! Notices to all Defined Benefit division members

Changes to legislation in effect from 1 July 2022

A number of changes to super legislation have come into effect from 1 July 2022:

- The work test on some non-concessional contributions was repealed, allowing those aged between 67 and 74 to contribute without being required to satisfy the work test.
- The age cut-off for the 3-year non-concessional contributions bring-forward rule has been changed from age 67 to age 74.

Group Super's second Annual Member Meeting

In February 2022, we held our second Annual Member Meeting (AMM). The meeting minutes and published questions/answers are available from oursuperfund.com.au/member-meeting.

Defined Benefits members



oursuperfund.com.au



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between 8am and 7pm
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This newsletter was prepared on 10 October 2022 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 consider the Member Booklet and Supplement for your DB division and Update Notices relating to the product from our website oursuperfund.com.au/memberbooklets or by calling us before making any decision about this product. You should also consider seeking professional financial advice tailored to your personal circumstances from an authorised financial adviser.

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