

Group Super News

Your member update



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A note from Rosemary Vilgan



Rosemary Vilgan

Chair, Trustee Board

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 to our new administrative service provider Mercer Outsourcing (Australia) Pty Ltd and our master custodian State Street Australia Limited in March this year. We thank you for your patience during the limited service period at that time.

Our fund's new administration arrangements are fully operational and members have access to helpful new resources. These include the Group Super App, an online account that offers a new retirement income simulation and projection, and our refreshed advice¹ offering, which also includes digital advice. You can read more on page 3.

The Your Future, Your Super (YFYS) annual performance assessment was introduced to help improve performance and transparency within the super industry. The performance test for FY 2021-22 has taken place, and I'm pleased to say our fund's MySuper option has passed the performance test.

Members' best financial interests are our priority, and after the disappointing results of last year's performance test, we continued to focus on long term member outcomes with the evolution of our diversified investment strategy. These changes, the market environment, changes to fees and some investment benchmarks, all helped to better meet the performance test requirements.

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, the Trustee Services team and our past and current service providers in helping to achieve both a complex transition and our successful YFYS assessment result.

Most importantly we thank you, our members, for your support and your patience while we've undergone significant change over the past year – it is a privilege to look after your savings for retirement.

¹ Advice is provided by Mercer Financial Advice (Australia) Limited (ABN 76 153 168 293, AFSL 411766).

Our new service providers.

On 1 March 2022, we transferred all of Group Super's defined contribution member administration to Mercer Outsourcing (Australia) Pty Ltd. We also appointed State Street Australia Limited as our master custodian and investment administrator, and Mercer Financial Advice (Australia) Pty Ltd as our financial advice provider.

These were significant changes, designed to streamline administration, optimise business operations and importantly to take advantage of new features and technology to maximise our services to members. As expected with such a significant change, there were some challenges along the way, but these have been resolved or are near resolution.

Members are more active on Group Super Online, and response to our new Group Super App has been positive. Members are also taking advantage of the readily accessible financial advice services¹. We've also had good feedback on our latest planning resources – the Retirement Income Simulator and Risk

Attitude Quiz. It's great to see so many members engaging with their super.

You're also able to access our new digital 'e-advice' self-service tool¹ through your Group Super Online account, which you can read more about in "E-advice now available" in this newsletter.

You'll now receive a single member benefit statement in the second half of the calendar year and no longer receive a statement in the first half of the year. Your statement information will have the same details as before, but will cover the 12-month period ending 30 June each year, beginning with this year (30 June 2022).

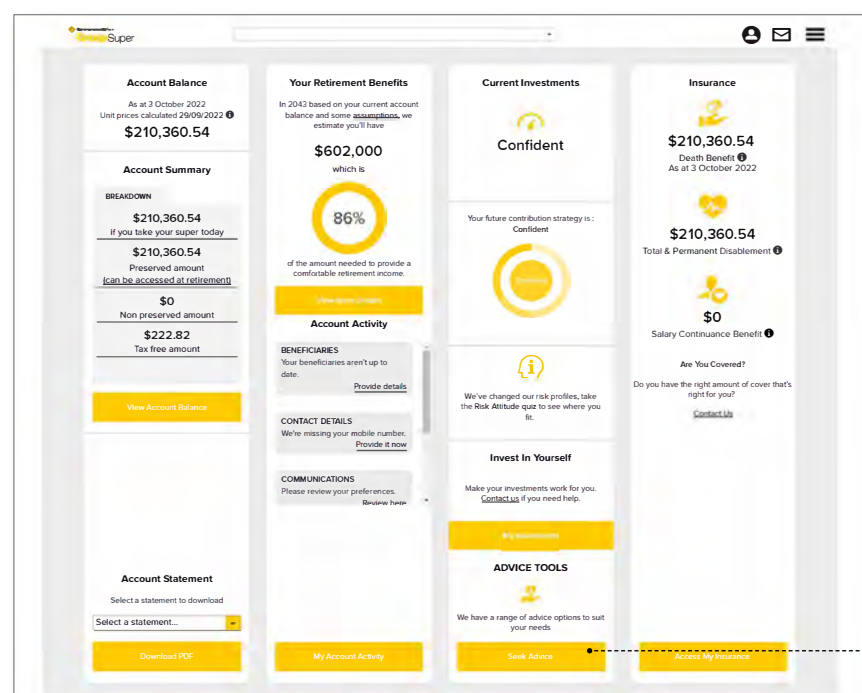


These changes are designed to streamline administration, optimise business operations and take advantage of new features and technology to maximise our services to members.

Communications through electronic channels are important in providing members with prompt information. If we have a valid email address for you, or if we receive an email address for you in the future, we'll automatically provide you with electronic communications. If you'd still like to receive certain communications via paper post, you can choose to do so.

E-advice now available!

Traditionally financial advice is offered in person or over the phone. Many recognise advice may help in enhancing their financial future, but may find either time-consuming or expensive to undertake.



That's why, in addition to our existing financial advice services¹, we are pleased to offer a new way to access speedy financial advice at a time that suits you, at no additional cost.

Our new e-advice service¹ is now available through your Group Super Online account. Once logged in and on your dashboard, go to 'Current Investments'. At the end of this section under ADVICE TOOLS there is a yellow 'Seek Advice' button.

→ Log into your account today to see if e-advice might be appropriate for you!

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 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 information 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 advice.

What the Strategy aims to achieve



The Strategy is focussed on members who are retired or who are approaching retirement². Its goal is to achieve and balance the following retirement income objectives:

- 1 Maximise income** – to maximise expected retirement income³ 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 retirement⁴.
- 3 Access funds flexibly** – to have flexible access to expected funds over the period of retirement.

² Age 50 has been identified as the age from which our members become more noticeably engaged.

³ 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'.

⁴ 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'.

Recent investment market volatility.

Diversified investment options such as conservative, balanced or growth-style options are largely invested across multiple asset classes and geographies. This 'spread' of investments is designed to reduce an option's exposure to adverse market events. However, the recent market downturn has impacted most asset classes across the board, with diversified option 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 combination has lowered returns for all our diversified options, including our conservative-style options.

Conservative-style options, like ours, normally have a higher bond (or fixed interest) allocation than balanced or growth-style options and are usually likely to be less severely impacted by share market downturns. However, this year has seen some of the worst performance in bond markets on record, coinciding with volatile share market performance, therefore impacting the performance of our conservative options. 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.

Meeting the challenge

Whether an investment option is suitable to your needs depends on many factors specific to you, including your willingness or capacity to take on risk and/or short term volatility, when you plan to retire, and your personal circumstances. It's good to understand the option(s) your super is invested in, how those options invest and consider seeking advice from an authorised financial adviser.

To help you understand the investment choices you have for your account with us and choose those that best suit your needs you can read our Reference Guide: Investments, available at oursuperfund.com.au/pds.

Help choosing your investment option/s

If you'd like some advice about choosing from our investment options, you can call us on **1800 023 928**. Ask to speak with a member of the advice team¹ about investment choices for your Group Super account at no additional cost. You can also access advice online by logging in to your account via oursuperfund.com.au/login and select Advice Tools¹ from the opening screen.



Member notices.

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.

These are not the only fees and costs that may apply to your account. For example, administration fees and costs are 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 our Member Guide (Product Disclosure Statement) for Retirement Access, available at oursuperfund.com.au/pds.

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 | 0.10 | \$50 |
| 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 Member Guide (Supplementary Product Disclosure Statement) for Retirement Access issued October 2022 and available from oursuperfund.com.au/pds.

Administration asset based fee as at 30 June 2022

Retirement Access members as at 30 June 2022 received a 3-month fee rebate of the administration asset-based fee of 0.12% for the period 1 April to 30 June 2022.

Changes to strategic asset allocation ranges

Effective the strategic asset allocation ranges for all of the Diversified investment options changed during the course of FY21-22, please refer below:

| Investment option | Fixed Interest & Cash | Alternatives | Real Assets | Multi-Assets | Shares |
|---------------------|-----------------------|--------------|-------------|--------------|--------------|
| Conservative | | | | | |
| As at 1/7/21 | 67% (62-72%) | 7% (4-10%) | 8% (3-13%) | 8% (5-11%) | 10% (7-13%) |
| From 1/3/22 | 67% (52-82%) | 7% (0-14%) | 8% (0-16%) | 8% (1-15%) | 10% (0-20%) |
| Moderate | | | | | |
| As at 1/7/21 | 42% (37-47%) | 10% (6-14%) | 14% (7-21%) | 14% (10-18%) | 20% (16-24%) |
| From 1/3/22 | 42% (27-57%) | 10% (0-20%) | 14% (4-24%) | 14% (6-22%) | 20% (10-30%) |
| Balanced | | | | | |
| As at 1/7/21 | 17% (13-21%) | 15% (10-20%) | 18% (9-27%) | 20% (15-25%) | 30% (25-30%) |
| From 1/3/22 | 17% (7-27%) | 15% (5-25%) | 18% (6-30%) | 20% (10-30%) | 30% (20-40%) |
| Growth | | | | | |
| As at 1/7/21 | 8% (5-11%) | 15% (10-20%) | 19% (8-30%) | 18% (13-23%) | 40% (33-47%) |
| From 1/3/22 | 8% (0-18%) | 15% (5-25%) | 19% (7-31%) | 18% (8-28%) | 40% (25-55%) |

These changes are in the Member Guide (PDS) and Reference Guide: Investments from 1 March 2022.

Changes to the Moderate and Balanced options

Effective 1 March 2022, the investment risk and minimum suggested investment timeframes changed for the Moderate and Balanced options.

The table below shows the Standard Risk Measure and minimum suggested investment timeframe for the Moderate and Balanced Options pre-1 March 2022 and from 1 March 2022.

| Option | Pre 1 March 2022 Investment risk | Effective from 1 March 2022 investment risk |
|-----------------|--|--|
| Moderate | Standard Risk Measure of 4 – Medium A negative annual investment return may be expected for 2 to less than 3 years in every 20 years Minimum suggested investment timeframe of medium to long term – 5 years or more | Standard Risk Measure of 3 – Low–Medium A negative annual investment return may be expected for 1 to less than 2 years in every 20 years Minimum suggested investment timeframe of medium to long term – 3 years or more |
| Balanced | Standard Risk Measure of 5 – Medium–High A negative annual investment return may be expected for 3 to less than 4 years in every 20 years Medium to long term – 5 years or more | Standard Risk Measure of 4 – Medium A negative annual investment return may be expected for 2 to less than 3 years in every 20 years Medium to long term – 5 years or more |

These changes are in the Member Guide (PDS) and Reference Guide: Investments from 1 March 2022.

New Retirement Access PDS and Reference Guides issued in the period

It's important to refer to the most up to date information when considering or making any changes to your Accumulate Plus account or when making decisions that may affect your financial future.

Effective 1 March 2022, we issued a new Member Guide for Retirement Access product disclosure statement (PDS). As well as the investment option changes mentioned, the other key changes also included updates to reflect process changes as a result of the transfer to Mercer Outsourcing (Australia) Pty Ltd.

In October 2022, we issued a supplementary PDS and updated Reference Guides (RG), as follows:

- Member Guide (supplementary PDS) – to reflect the updated investment related fee and other costs estimates effective 1 July 2022, and the extension of the halved minimum pension drawdown rate for FY22-23.
- RG: How super is taxed – to reflect legislative/tax-related changes to super effective 1 July 2022
- RG: General information – to reflect process changes to manage minimum withdrawal payments effective 30 September 2022
- RG: Withdrawing your super – to reflect process changes to manage Anti-Money Laundering and Counterterrorism Financing requirements as well as minimum withdrawal payments effective 30 September 2022.

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

Changes to super legislation from 1 July 2022

For the 2022-23 financial year, the Government has extended the rule allowing retirees to withdraw half of the required annual minimum amount from their pension account.

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.



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 documentation; 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.

Retirement Access members



oursuperfund.com.au



1800 023 928
between 8am and 7pm
(AEST/AEDT) Monday to Friday



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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 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. The target markets for our products can be found within the product's Target Market Determination, available at oursuperfund.com.au/tmd.

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