



Member outcomes assessment

For the financial year ending 30 June 2020, the trustee of Commonwealth Bank Group Super (Group Super) determined that it was promoting the financial interests of members and beneficiaries of Group Super who hold our products.

Our assessment was based on criteria outlined in the *Superannuation Industry Supervision (SIS) Act* in respect of the following products that we offer to members:

- our **default MySuper product**, which is our Accumulate Plus Balanced (MySuper) investment option
- our **Choice products**, which are the remaining Accumulate Plus investment options (Conservative, Moderate, Growth, Cash, Fixed Interest, Australian Shares and International Shares)
- our **Pension products**, which are our Retirement Access Account-Based Pension investment options.

Note: The Retirement Access Transition to Retirement Income Stream (TRIS) product was introduced in 2017 therefore no longer-term performance data is available. TRIS has not been included in this assessment, but please visit our website or read the product disclosure statement for more information if required.

Our assessment considered the level of investment performance and risk, fees, insurance offering, operating costs and scale, and overall services offered to members. A summary is provided in the table below, with additional detail in the following sections.

General advice warning about using or relying on this information: The information in this document is 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 to your own objectives, financial situation and needs before making any decisions. You should read the relevant Product Disclosure Statement and Reference Guides carefully; these are available from oursuperfund.com.au/pds or by calling us. You should consider seeking professional advice tailored to your personal circumstances from an authorised financial adviser before making a decision.

Area assessed	Key findings
Investments See page 2 for more detail.	MySuper product option <ul style="list-style-type: none"> • Exceeded its investment objective by 2.8% per annum over 10 years to 30 June 2020. • Exceeded APRA MySuper median¹ return over one year to 30 June 2020 but lagged peers over three and five-year periods. • One of the least volatile MySuper options in the industry, resulting in risk-adjusted returns that were above the SuperRatings (SR) industry median² over one, three and five-year periods. • Standard Risk Measure (SRM) of 5 (Medium-High) with a negative return expected for 3.1 years in every 20 years, below the APRA MySuper industry median of 4.0 years. Choice and Pension product options <ul style="list-style-type: none"> • All Choice and Pension options exceeded their investment objectives over 10 years to 30 June 2020. • Most options performed in line with or slightly better than the SR industry median over a 10-year period, including when considering risk-adjusted returns. • Fixed Interest and Cash Choice options and the Balanced Pension option lagged 10-year SR industry medians.

1 Data sourced from Australian Prudential Regulation Authority (APRA) Quarterly MySuper Statistics, June 2020.
 2 Data sourced from SuperRatings Pty Ltd (ABN 95 100 192 283, AFSL 311880).



Find out more or log in at oursuperfund.com.au



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Area assessed	Key findings
Fees <i>See page 5 for more detail.</i>	MySuper product option <ul style="list-style-type: none"> Total annual fees for our MySuper product, calculated based on \$5,000, \$50,000 and \$100,000 account balances, were within the top quartile (i.e. lowest fees) of the superannuation industry. Choice and Pension product options <ul style="list-style-type: none"> Total annual fees for all investment options within our Choice product, calculated based on \$5,000, \$50,000 and \$100,000 balances, remain lower than the SR industry median fees, with the exception of our Cash option, where total fees for a \$5,000 balance were in line with the SR industry median. Total annual fees for all investment options within our Pension product, calculated based on \$50,000, \$250,000 and \$500,000 balances, remain lower than the SR industry median fees.
Insurance <i>See page 6 for more detail.</i>	<ul style="list-style-type: none"> Our members receive higher levels of cover for every one dollar they pay in premiums for death cover, total and permanent disablement cover and salary continuance cover (also known as income protection) when compared to the SR industry median. Approximately 80% of our employer-sponsored members pay premiums equating to less than 1% of estimated salary, an affordability measure used in the Insurance in Superannuation Voluntary Code of Practice.
Operating costs and scale <i>See page 6 for more detail.</i>	<ul style="list-style-type: none"> The fund's expense ratio (expenses relative to assets) and cost per member is below the SR industry median (i.e. lower expenses). Our funds under management continue to grow, which means we remain large enough to enjoy the benefits associated with our scale, and manageable enough to deliver bespoke services that meet the needs of our members.
Member Services <i>See page 7 for more detail.</i>	<ul style="list-style-type: none"> Our members value our products and services, as measured through a Net Promoter Score. The fund has consistently achieved above industry average scores on Net Promoter, overall member satisfaction and ease of doing business scores.

Investments

The financial year ending 30 June 2020 saw significant volatility across investment markets, particularly during March and April with the onset of the Covid-19 pandemic. While extreme uncertainty prevailed during this period, markets generally rebounded over the remainder of the calendar year.

For many years, our investment philosophy has been strongly built on two key principles. Firstly, to deliver sustainable long-term returns that meet the investment objectives we set for each investment option, and secondly, in striving for these returns, we also want to minimise volatility in returns and seek to limit the impact of any market downturn on our members' retirement savings.

How we invest is guided by eight investment beliefs, which anchor our investment decisions. Core to these beliefs is our strong conviction that strategic asset allocation is the key driver of returns and that diversification is important to providing our members with a smoother return experience.

We believe it's in our members' best interests to incorporate a certain level of risk protection when designing our investment options. We do this by including a well-diversified mix of assets within our options, which reduces the impact if any particular type of asset or market is not performing well at a given time.

We are pleased that all of our MySuper, Choice and Pension product investment options exceeded their 10-year investment return objectives as at 30 June 2020, with

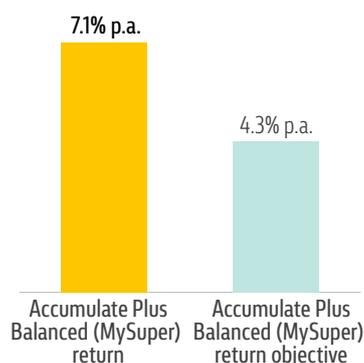
our MySuper product achieving 2.8% outperformance against its objective.

Warning: Past performance is not a reliable indicator of future performance.

Performance of our MySuper product

Our MySuper option outperformed its objective and was in the top quartile of the superannuation industry based on one-year returns over the financial year to 30 June 2020. Over three and five-year timeframes, our returns fell short when compared to the APRA MySuper median return.

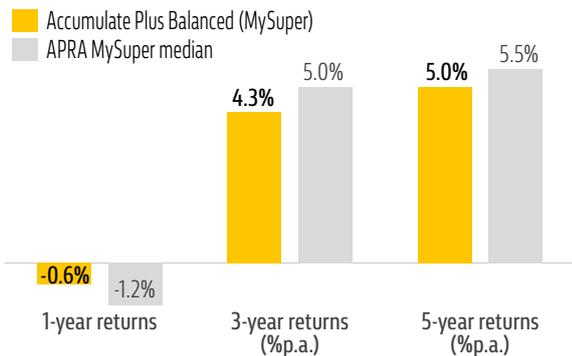
Chart 1: 10-year return for our MySuper product versus its return objective, based on returns calculated after the deduction of fees and tax.



The design of our MySuper option means we will generally have a more diversified asset allocation with less allocation to shares than the MySuper products of many other funds. Our one-year outperformance highlights the benefits of this diversification, which helped to cushion some of the impact of extreme sharemarket volatility during this time.

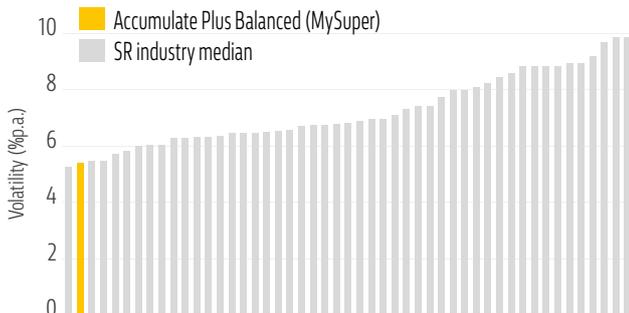
Over the three and five-year periods, which predominantly enjoyed strong sharemarket performance, we would expect to underperform against funds with higher share allocations compared to ours.

Chart 2: Absolute returns for our MySuper product versus other MySuper products in the industry³, based on returns calculated after the deduction of fees and tax.



Shares make up the largest asset allocation within our MySuper product. However it is lower relative to many funds, consistent with our investment philosophy that aims to limit members' exposure to sharp downturns and volatility in investment markets. Our assessment indicates that our MySuper product has been one of the least volatile MySuper products in the industry, meaning our risk-adjusted returns⁴ were above the APRA MySuper median over one, three and five year periods.

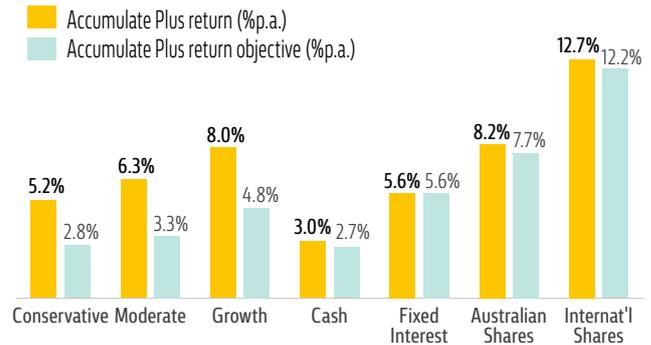
Chart 3: Five-year volatility to 30 June 2020 (annualised) for our MySuper product versus other MySuper products in the industry.⁵



Performance of our Choice product

All of our Choice product options exceeded their 10-year return objectives as at 30 June 2020.

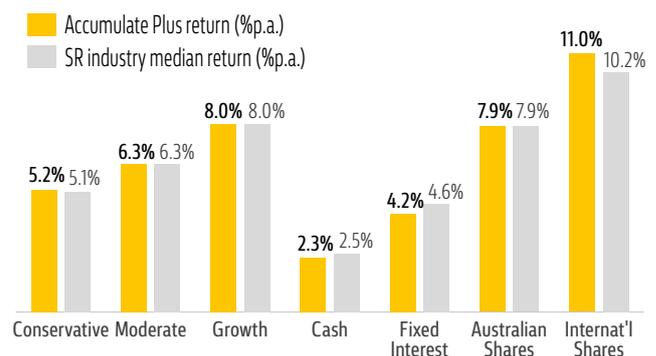
Chart 4A: 10-year returns for our Choice product options versus their return objectives. All returns for our diversified options (Conservative, Moderate and Growth) are calculated after the deduction of fees and tax. All returns for our single asset class options (Cash, Fixed Interest, Australian Shares, International Shares) are calculated after the deduction of tax but before the deduction of fees, consistent with the return objective calculation.



In further assessing the performance of our Choice product options, we compared each option to a range of similar investment options offered by other super funds. For our diversified options, we selected investment options that had similar allocations to growth assets.

The majority of our Choice options achieved returns at or above the SR industry median returns, based on 10-year average annual returns and risk-adjusted returns, with the exception of our Fixed Interest and Cash options.

Chart 4B: 10-year returns for our Choice product options versus industry medians. All returns are calculated after the deduction of fees and tax, therefore our returns for the single asset class options are different to those in Chart 4A above.



3 Data sourced from APRA Quarterly MySuper Statistics, June 2020.

4 Risk-adjusted returns measure an investment's return after taking into account the degree of risk that was taken to achieve the return.

5 Data sourced from SuperRatings Pty Ltd, based on comparable MySuper products.

Performance of our Pension product

Our Pension product options also performed well, exceeding their 10-year return objectives as at 30 June 2020 and with returns either at or above the SR industry median returns, based on 10-year average annual returns. The exception was our Account-Based Pension Balanced option, which fell short of the SR industry median by approximately 0.3% per annum.

Chart 5A: 10-year returns for our Pension product options versus their return objectives. All returns for our diversified options (Conservative, Moderate and Growth) are calculated after the deduction of fees. The return for our single asset class option (Cash) is calculated before the deduction of fees, consistent with the return objective calculation.

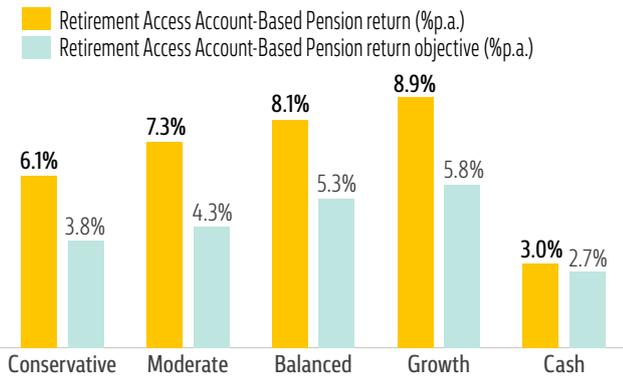
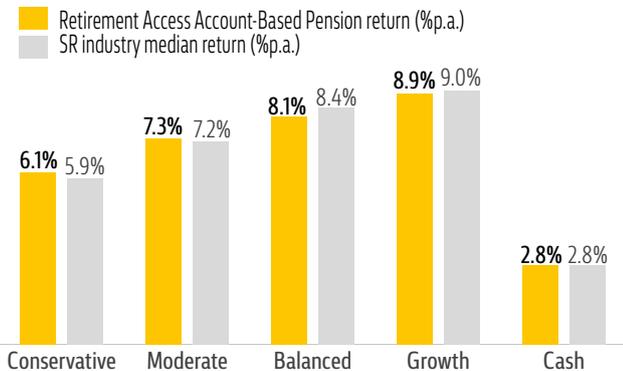


Chart 5B: 10-year returns for our Pension product options versus industry medians. All returns are calculated after the deduction of fees, therefore our return for the Cash option is different to Chart 5A above.



Reflecting on our overall investment performance

We have determined that our MySuper, Choice and Pension product options have been true to label and have delivered to our stated investment objectives by:

- exceeding their investment return objectives
- providing less volatility in returns and creating a smoother return experience for members.

We acknowledge our MySuper product and some of our Choice product options have underperformed over three and five-year timeframes when compared to other super funds. Similar trends may also be evident when our performance is compared to some customised investment metrics introduced by the Australian Prudential and Regulation Authority (APRA).

In recent years, our options' strategies have been positioned based on our prevailing economic outlook, and to remain consistent with our philosophy and objectives. Importantly, we remain confident that our options are designed appropriately to deliver to their investment objectives over the longer term.

We are committed to looking for ways to continuously enhance outcomes for our members. We regularly review and assess our investment objectives and strategies and looking to the future, we will be implementing a number of key initiatives, aimed at continuously improving our offering. We look forward to sharing these with our members during 2021.

Warning: Past performance is not a reliable indicator of future performance.

Fees and costs

Our aim is to provide products and services that enhance our members' financial wellbeing for the future, while keeping fees as competitive as possible to enable our members to save more for their retirement.

The fees we charge members vary between products and investment options. As such, we assessed the competitiveness of our MySuper, Choice and Pension product fees against comparable products and investment options in the industry.

We assessed that our total fees remain competitive for our MySuper, Choice and Pension products.

Total annual fees for our MySuper product, calculated based on \$5,000, \$50,000 and \$100,000 balances, are within the top quartile (i.e. lowest fees) of the super industry.⁶

Chart 6A: Annual fees and costs, as a dollar amount, for our MySuper Product⁷ compared to other MySuper products in the industry.

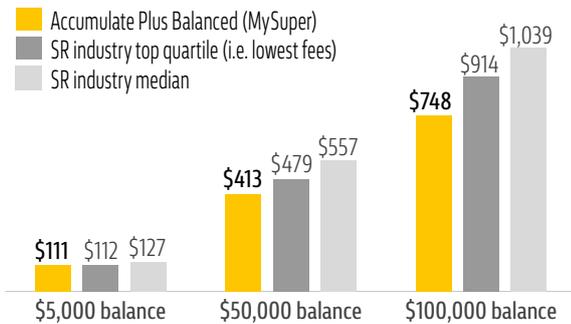
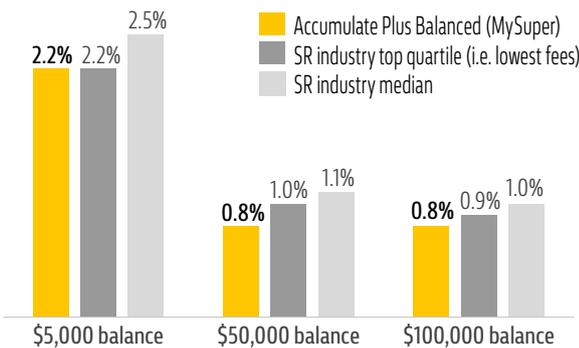
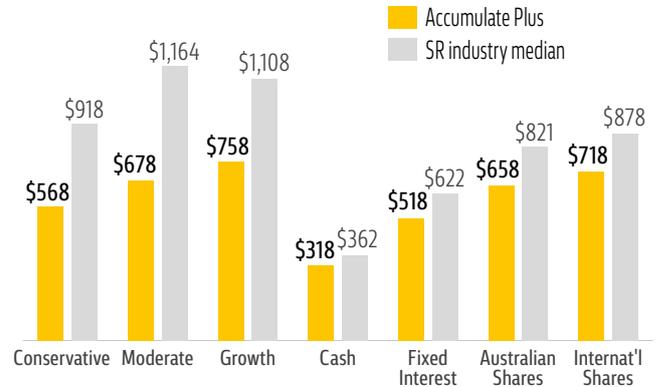


Chart 6B: Annual fees and costs, as a percentage of account balance, for our MySuper Product⁷ compared to other MySuper products in the industry.



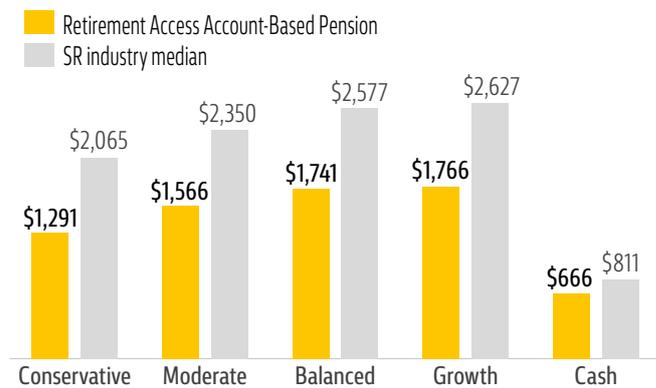
Total annual fees for all investment options within our Choice product, calculated based on \$5,000, \$50,000 and \$100,000 balances, remain at or lower than the SR industry median fees.

Chart 7: Annual fees and costs, calculated as a dollar amount based on a \$100,000 account balance, for our Choice product options⁷ compared to other Choice products in the industry.



The total annual fees charged for all investment options within our Pension product, calculated based on \$50,000, \$250,000 and \$500,000 balances, remain lower than the SR industry median fees.

Chart 8: Annual fees and costs, calculated as a dollar amount based on a \$250,000 account balance, for our Pension product options⁷ compared to other Pension products in the industry.



Our fees are set at an appropriate level to meet the costs associated with running the fund and reflect the services and flexible options enjoyed by members.

We are proud to continue holding the highest ratings from three industry rating agencies, SuperRatings, Chant West and SelectingSuper, as we have over many years.⁸ This includes a SuperRatings Platinum rating for the last 12 years, awarded to only the top 25% of funds in the country, recognising them as being 'best value for money' funds.

While our fees are competitive, we remain committed to exploring efficient ways of providing services to maintain our lower cost structures for our members.

6 Data sourced from SuperRatings Pty Ltd. Total annual fees take into account investment fees, administration fees and indirect costs for the product or option as disclosed in fund product disclosure statements (PDSs).

7 Our fees used in this graph are based on the investment fees and administration fees disclosed in our PDSs as at 30 June 2020. The amount does not include insurance premiums, if applicable. Figures are for illustrative purposes only. Your actual account balance varies each day based on contributions and deductions, and investment returns applied through daily unit pricing. This affects the actual amount of fees and costs charged to you. In addition, for Accumulate Plus members, the actual amount you pay may be less than the gross amounts shown, as we may pass on any tax benefit to which the fund is entitled.

8 For more about the rating methodology used by each agency, visit their websites at www.superratings.com.au, www.chantwest.com.au or www.selectingsuper.com.au.

Insurance

Insurance in super continues to be an efficient and cost-effective way of providing death and disability coverage to our members. Default Death and Total and Permanent Disablement (TPD) cover is provided to the majority of members once they become eligible, with members able to apply for a change in cover to suit individual needs.

In assessing our default insurance offering, we considered whether our insurance offering was affordable for our members. We assessed:

- if the cost of insurance premiums that members pay inappropriately eroded their retirement savings
- the quality of our offer
- the competitiveness of our premiums compared to other funds in the industry.

Our assessment highlighted that our premiums are competitive across all age groups and types of cover. Our members receive higher levels of cover for every one dollar they pay in premiums for death cover, TPD cover and/or salary continuance cover (also known as income protection), when compared to the super industry median.⁹

We determined that our default insurance cover levels are reasonable and affordable for our members and cost, on

average, does not inappropriately erode their retirement savings. Approximately 80% of our employer-sponsored members pay premiums equating to less than 1% of estimated salary¹⁰, which is an affordability measure used in the Insurance in Superannuation Voluntary Code of Practice.

To assist all members, including those paying more than 1%, we provide flexibility of cover and engage with our members regularly, particularly those aged 50 and over, to encourage active consideration and review of their insurance cover. This helps to minimise the risk of premiums inappropriately eroding retirement savings as members approach retirement, and minimise the risk of either over-insurance or under-insurance. Our 2020 Member Survey results indicated that members support an approach encouraging active member engagement in managing cover levels.

While we continue to look for ways in which we can deliver affordable insurance cover for our members, we believe that our current default insurance offering remains competitive and promotes the financial interests of our members.

A key initiative for the trustee in 2021 is to formally review our insurance offering and we look forward to communicating the outcomes of that review to members.

Operating costs and scale

Expenditure is managed effectively, with the results of our assessment indicating that the fund's expense ratio (expenses relative to assets) and cost per member is below the SR industry median.

This enables us to deliver value-for-money, cost-effective and efficient services to members. Additionally, it enables us to invest in our products and services to meet the growing needs of our members.

Our funds under management continue to grow, which means we remain large enough to enjoy the benefits associated with our scale, and manageable enough to deliver bespoke services that meet the needs of our members.

We are able to use our scale to form strong and beneficial relationships with our key service providers. As a result, we have been successful in negotiating competitive fees and access to quality services for our members.

Being part of the Commonwealth Bank Group means that, where appropriate to do so, we leverage services and access a large pool of expertise and capability within the Group to deliver positive outcomes for our members.

Approximately 78% of eligible Group employees are members of our fund. Importantly, of those who move on to other employers outside the Group, around 80% choose to keep their membership with our fund. This helps us maintain and grow the scale of our fund in order to deliver a range of products and services in a competitive and cost-efficient way.

⁹ Data sourced from SuperRatings Benchmark Report 2020, prepared by SuperRatings Pty Ltd.

¹⁰ Based on the median salary by age and gender for our employer-sponsored members.

Member services

Our products and services are designed to meet the specific needs of Commonwealth Bank Group employees, and to be flexible enough to cater for the needs of spouse members and former employees who continue to stay with our fund.

Our aim for the products and services we offer is to ensure that they provide our members with the knowledge and tools to make the right decisions for their financial future.

We also recognise that the needs of individual members can differ. As we continue to explore smarter ways to leverage technology, we do so without losing sight of the need for members to interact with highly-trained and qualified people.

To assess if we have been successful in delivering products and services to members, we ask our members through regular surveys throughout the year. Results show that our members value our products and services, as measured through a Net Promoter Score. The fund has consistently achieved above industry average scores on Net Promoter, overall member satisfaction and ease of doing business scores.¹¹

Our services include:

- providing workplace member seminars and more recently online webinars
- a range of communications and educational material for members
- access to financial advice
- retirement calculators
- access to an online member portal
- account balance integration with the Commonwealth Bank's NetBank platform and CommBank App.

These services enable members to keep pace with their retirement savings and engage with us when it suits them.

Our product and servicing capabilities are well-regarded by our members and industry rating agencies. To ensure they remain that way, we recently undertook a review of our member administration, investment administration and custodial service providers, and commenced planning for a transition to new providers. We expect members to benefit from further uplift in services, including additional digital engagement and data analytics. We look forward to sharing the results of our review with members during 2021.

¹¹ Results from Customer Service Benchmarking Australia's Superannuation Customer Experience Surveys, February 2020 and July 2020.



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