CommonwealthBank GroupSuper

DB Supplement: Investments & fees

The information about investments and fees and costs in this Defined Benefit (DB) Supplement only applies if you're an in-service (employee) member of our DB Division CB, CC, CD, CE, CF, CN or CO and you have accumulation-style accounts within your division that are eligible for investment choice (page 2).

This DB Supplement was issued on 1 July 2023.

The information in this DB Supplement should be read in conjunction with the Member Booklet for your DB division – it's not intended to be read as a document in its own right.

This DB Supplement was prepared and issued by Commonwealth Bank Officers Superannuation Corporation Pty Limited (ABN 76 074 519 798, AFSL 246418, RSEL L0003087), the trustee of Commonwealth Bank Group Super (the fund) (ABN 24 248 426 878, RSER R1056877).

We may change features of the fund as described in this DB Supplement at any time. We'll notify you of changes that adversely affect you as required by law. If changes aren't materially adverse, we may issue an Update Notice before or after the change, instead of updating this DB Supplement. It's possible that changes may occur in the future without prior notice to you.

The information in this DB Supplement is general information only and doesn't 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 a decision about this product.

You can obtain the Member Booklet, DB Supplement and Update Notices free of charge from our website oursuperfund.com.au/memberbooklets or call us for a copy. You should seek professional advice tailored to your personal circumstances from an authorised financial adviser.

What's in this Supplement:

For Defined Benefit members and pensioners:

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

Call **1800 023 928** 8am–7pm, Mon–Fri or email via **oursuperfund.com.au/login**

Post to **GPO Box 4303, Melbourne VIC 3001**

What are 'eligible accumulation-style accounts'?

The main super benefit payable from your DB division at retirement is generally calculated based on a formula. A super benefit may also be payable under other conditions. Growth of these benefits depends on the growth of factors. These factors include your salary, length of employment with the Group or membership of the fund, or your contribution rate. Investment returns don't generally affect the amount of DB super you're entitled to receive.

Members of Division CB, CC, CD, CE, CF, CN or CO who are current Commonwealth Bank Group employees, may also have accumulation-style benefits or accounts. These accumulation-style benefits or accounts within your DB division are eligible for investment choice, e.g. for your accumulated member contributions. This means you can choose an investment option for the account balance and that balance is influenced by positive or negative investment performance of your chosen option/s. The information throughout this DB Supplement relates only to these benefits, which we refer to as **eligible accumulation-style accounts or benefits**.

If you leave employment with the Group, your accumulation-style accounts are no longer eligible for investment choice. The fund's declared or crediting rate applies to any deferred or post-employment benefits you're eligible to leave in your DB division.

Part 1: Investments

Important! All investment products, including super, have risks. Before deciding on the investment option or options for your account, you should carefully consider the options. Please make sure your choices suit, your personal circumstances and goals. You should also consider seeking professional financial advice before finalising any investment decisions.

Looking for help or advice? We've arranged a team of financial advisers to provide advice to you over the phone. There's generally no additional cost to you to use this service for advice relating to your Defined Benefit super in our fund. For example, financial advice about super contributions or investment options. This is known as intra-fund advice. A fee may apply for advice outside the intra-fund scope – the adviser will let you know these details beforehand if this applies. To get started, call us on 1800 023 928 and ask to speak with the Advice team[1].

If you also have an Accumulate Plus or Retirement Access account in our fund, you also have the option to have the fees about the advice you agree with any authorised financial adviser for advice about your super in our fund deducted from that account balance. Some conditions apply. This may make it easier to pay for financial advice, as fees are deducted from your super account rather than your disposable income.

Visit oursuperfund.com.au/advice

Your member investment choice options

Investment options available for your account

You can invest any eligible accumulation-style accounts within your Defined Benefit (DB) division in any one or more of the following investment options. Each option has a different investment objective, level of investment risk and potential investment return. These options enable you to tailor an investment selection to suit your own circumstances and goals.

Read 'Investment option summary' starting on page 3 for more information on each option.

We may vary the features of any investment option, close an option or introduce a new option at our discretion at any time without your consent. We'll notify you of any changes as required by law and it's possible that changes may occur without prior notice to you.

Diversified investment options

The diversified investment options are **Conservative**, **Moderate**, **Balanced** and **Growth**.

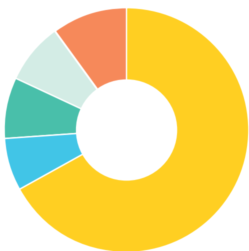
These investment options automatically invest your account in a pre-mixed combination of asset classes, helping to spread your investment exposure and risk. All options invest in the same underlying asset classes and assets but with different overall weightings, so you have flexibility to choose the option or options that best suit your needs

Single asset class investment option

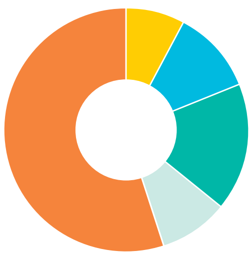
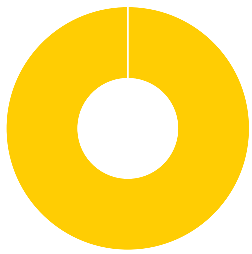
The **Cash** investment option invests mainly in cash-related assets.

[1] Advice relating to our DB divisions is provided by Mercer Financial Advice (Australia) Limited (ABN 79 153 168 293, AFSL 411766).

Investment option summary

	Diversified (pre-mixed) options		
Investment option name	**Conservative**	**Moderate**	**Balanced**
Description	This diversified option may suit members who are seeking stable returns over the short to medium term and who are less comfortable with short-term fluctuations in returns. It has a low exposure to growth assets and in return for greater stability of returns, members may be sacrificing potential for higher long-term returns.	This diversified option may suit members who are seeking medium levels of returns and who are less comfortable with short-term fluctuations in returns. It has a slightly higher allocation to defensive assets over growth assets.	This diversified option may suit members who are seeking medium to high returns over the long term and who are comfortable with fluctuations in returns in the shorter term. It has a higher allocation to growth assets over defensive assets. This option applies by default if you've never made an investment choice (page 5).
Investment objective	To achieve an average return over a 10-year period, after applicable taxes and fees are deducted, of CPI + 1.0% p.a.	To achieve an average return over a 10-year period, after applicable taxes and fees are deducted, of CPI + 1.5% p.a.	To achieve an average return over a 10-year period, after applicable taxes and fees are deducted, of CPI + 2.5% p.a.
Minimum suggested investment timeframe	Short to medium term – 3 years or more	Short to medium term – 3 years or more	Medium to long term – 5 years or more
Investment risk	1 **2** 3 4 5 6 7 Low A negative annual investment return may be expected for 0.5 to less than 1 year in every 20 years.	1 2 **3** 4 5 6 7 Low–Medium A negative annual investment return may be expected for 1 to less than 2 years in every 20 years.	1 2 3 4 **5** 6 7 Medium–High A negative annual investment return may be expected for 3 to less than 4 years in every 20 years.
Strategic asset allocation	 **Asset class** / **Allocation** Fixed Interest & Cash 67% (47-87%) Alternatives 7% (0-17%) Real Assets 8% (0-20%) Multi-Assets 8% (0-18%) Shares 10% (0-20%)	 **Asset class** / **Allocation** Fixed Interest & Cash 42% (22-62%) Alternatives 10% (0-20%) Real Assets 14% (2-26%) Multi-Assets 14% (4-24%) Shares 20% (10-30%)	 **Asset class** / **Allocation** Fixed Interest & Cash 18% (4-38%) Alternatives 12% (2-22%) Real Assets 16% (4-28%) Multi-Assets 12% (2-22%) Shares 42% (32-52%)
Investment performance	Historical investment performance is available on our website, oursuperfund.com.au/returns. While historical performance information may be helpful in assessing whether an option is appropriate for you, please remember that past investment performance is not a reliable indicator of future performance.		
Investment fee	An investment fee, as well as other fees, applies to your eligible accumulation-style accounts – read more in *Part 2: Fees and other costs* beginning on page 15 of this DB Supplement.		

Investment option summary (continued)...

	Diversified (pre-mixed) options	Single asset class option
Investment option name	**Growth**	**Cash**
Description	This diversified option may suit members who are seeking high returns over the long term and who are comfortable with fluctuating returns in the short term. It has a high exposure to growth assets.	This option may suit members who are seeking a short-term investment in cash-related assets (as described on page 8), with stable but very low expected returns. Depending on prevailing interest rates, returns may not keep pace with inflation.
Investment objective	To achieve an average return over a 10-year period, after applicable taxes and fees are deducted, of CPI + 3.5% p.a.	To achieve an average return over a 10-year period, before applicable taxes and fees are deducted, that exceeds that of the Bloomberg® AusBond Bank Bill Index[2].
Minimum suggested investment timeframe	Long term – 7 years or more	Short term – 1 year or more
Investment risk	1 2 3 4 **5** 6 7 Medium–High A negative annual investment return may be expected for 3 to less than 4 years in every 20 years.	**1** 2 3 4 5 6 7 Very low A negative annual investment return may be expected for less than 0.5 years in every 20 years.
Strategic asset allocation	 **Asset class** **Allocation** Fixed Interest & Cash 8% (0-28%) Alternatives 11% (1-21%) Real Assets 17% (5-29%) Multi-Assets 9% (0-19%) Shares 55% (40-70%)	 **Asset class** **Allocation** Fixed Interest & Cash 100%* (100%) *This option invests mainly in cash-related assets within the Fixed Interest & Cash asset class.
Investment performance	Historical investment performance is available on our website, oursuperfund.com.au/returns. While historical performance information may be helpful in assessing whether an option is appropriate for you, please remember that past investment performance is not a reliable indicator of future performance.	
Investment fee	An investment fee, as well as other fees, applies to your eligible accumulation-style account – read more *Part 2: Fees and other costs* from page 15 of this DB Supplement.	

[2] Bloomberg® and the Bloomberg indices used above are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Commonwealth Bank Officers Superannuation Corporation (the Trustee). Bloomberg is not affiliated with the Trustee, and Bloomberg does not approve, endorse, review, or recommend Commonwealth Bank Group Super (the Fund). Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Fund.

The default Balanced option applies if you don't make a choice

When an eligible accumulation-style account is opened, we generally invest your first contribution or transfer in the default Balanced investment option. This is unless you've chosen a valid investment selection on a contribution or transfer form (if applicable).

Your account balance, and any future contributions and transfers, remains invested in the default option unless you make a different investment selection.

It's important to understand that our default option may not be the most appropriate option for your circumstances. You need to consider your own circumstances and/or seek professional financial advice to decide what's best for you.

Some factors to consider when investing

The investment option or combination of options that are suited to you depend on your personal circumstances.

When deciding which investment option or options to choose, you should consider factors such as your investment timeframe. Other factors include the level of investment risk you're comfortable with and the level of investment return you need to reach your goals. Please remember that this is general information only and these factors may not be the only things you need to consider for your circumstances.

If you'd like help making your choice, read more about advice options on page 2.

Your personal goals and objectives

A difficult thing to determine about your super is how much you're likely to need to save in order to live your desired retirement lifestyle. This is different for everyone and can depend on a number of things like other investments or income sources available to support you. Other considerations include the expenses you're likely to have, or if you'll be eligible for social security benefits such as the age pension.

How much super might you need for retirement, or what level of income your super may provide for you? To help get your thinking, here are a couple of resources you might like to try:

- The Association of Superannuation Funds of Australia (ASFA) publishes the ASFA Retirement Standard every quarter. This report benchmarks the annual budget needed by Australians to fund a 'modest' and 'comfortable' retirement lifestyle. Visit the ASFA Super Guru website for more information, www.superguru.com.au.
- Visit the Australian Securities and Investments Commission (ASIC) MoneySmart website, www.moneysmart.gov.au, and try the Retirement Planner or Superannuation calculators, under 'Super and retirement'.
- Try the Commonwealth Bank Retirement Calculator at www.commbank.com.au – search on 'retirement calculator'.

Your investment timeframe

Your investment timeframe is generally the amount of time you expect your super to be invested before you need to start withdrawing it in cash at retirement. You will also need to consider the amount of time it may need to continue to be invested to provide you with a retirement income.

Keep in mind that there are rules around when you can access your super. You may be able to start from age 55 under certain conditions, but for many people, it may be age 60, 65 or even later.

Why is this timeframe important? It can help you understand what level of investment risk may be appropriate for you. If you're retiring in the next few years and withdrawing your super, you may be less willing to take the chance that the value of your super could go down before you need it. In this example you may have a lower risk tolerance.

Alternatively, if your super is likely to remain invested for another 20 or 30 years, you have more time to ride out any shorter-term ups and downs. In this example, your ability to cope with changes in investment performance, may mean you have a higher risk tolerance.

You should consider your own personal risk tolerance when deciding which investment options are suitable for you.

Did you know? Your investment timeframe may not just be until you retire. The average Australian is expected to live into their 80s, which potentially means 15 or 20 years or more after retirement. You may need to think about this timeframe as well if you'll need some of your super to keep growing to continue providing you with income or savings.

Your risk and return profile

An important part of any investment, including your eligible accumulation-style accounts, is understanding the likelihood of there being a decrease in the value of that investment. This is also known as the level of investment risk.

Risk and return often go hand-in-hand. Generally, the higher the potential returns might be on an investment, the higher the level of investment risk, particularly over shorter timeframes.

Your personal risk tolerance is an indicator of how comfortable you'd be if the value of your eligible accumulation-style accounts decreased. This may depend on factors such as your age or how long you might have to be able to recover from the decrease.

The level of investment returns or risk can rarely be determined exactly. Some types of investments or assets that may be better suited to lower or higher tolerances for risk. For example, the value of investments like shares may rise and fall quite a bit in the short term. However, shares may produce higher average returns over the longer term. Depending on your investment timeframe, you may or may not have time to ride out the potential ups and downs that come with these types of investments. Alternatively, investments in cash may produce a more stable range of returns but these may be lower than the average returns over the longer term.

Changing your investment options

How to change investment options – known as switching

Pages 5 and 6 outlines some of the things you should consider before switching investment options. If you'd like help making your choice, read more about advice options on page 2.

You can invest in any one or more of the investment options available for your eligible accumulation-style accounts, as shown on pages 3 and 4.

You can switch investment options at any time. The effective date of the switch is determined by our **transaction cut-off time of 3pm (AEST/AEDT)** on a NSW bank business day. Read the following sections for more on transaction cut-off time and processing.

You can apply your new investment selection to your account balance only, or apply it only to any future deposits to your account. Alternatively you could choose to apply it to both your balance and future deposits.

We don't charge an investment switching fee and there's no limit to the number of switches you can make.

! Withdrawing from your account or switching out of an investment option during a time of lower or negative returns requires careful consideration. Such a withdrawal or switch may lock in the value of any losses and you may miss out on the opportunity to recover if markets turnaround. We recommend you seek advice when making investment changes, particularly in these circumstances.

To switch investment options	Log into Group Super Online (oursuperfund.com.au/login) or the Group Super App and go to 'Investments' Note: Online switching only allows you to apply your new investment selection to both your account balance and future deposits. To select a different strategy for future deposits compared to your current account balance, or to apply a new selection only to your account balance but not future deposits, you need to complete the form below or call us.
	Complete our *Investment selection – Divisions CB–CO* form.
	Call us on **1800 023 928** between 8am-7pm (AEST/AEDT) Monday to Friday or +613 8306 0977 if calling from outside Australia

How transactions are processed from your investment options

Transaction cut-off time

For any financial transactions on your eligible accumulation-style accounts, our transaction cut-off time is **3pm (AEST/AEDT)** on a NSW bank business day. Financial transactions include making a contribution, investment switch or a withdrawal. This cut-off time applies to all financial transaction requests made online, by form or by phone, as applicable.

If we receive your valid and complete transaction request before the cut-off time, we process it effective the day of receipt. If we receive it after the cut-off time, we process it effective the next NSW bank business day.

A completed request includes a correctly completed form (if applicable), together with any material we may ask you to provide if we need to establish your identity. If we determine that a request is incomplete, we process it once we receive the completed information from you, and subject to our cut-off time.

> **Example**: We receive your valid request on Monday at 11am, before the cut-off time, so Monday's unit price applies to the transaction. Once Monday's unit price is calculated and issued on Tuesday, we complete the transaction. If we receive your request at 4pm on Monday, after the cut-off time, it's processed using the unit price determined for Tuesday, which is issued on Wednesday.

In some cases, we may not be able to process a request on the date of receipt if another transaction is pending for processing for the same day. For example, if you request an investment switch on the same day we're processing a contribution for your account.

Transaction and payment processing times

An investment option's unit price is required to complete any financial transaction on your account. Unit prices are calculated once all investment markets have closed trading for that day. This means we calculate and issue them on the following NSW bank business day.

Funds are credited or debited effective the date a transaction request is received, but processing is generally completed on the next NSW bank business day once the unit price is issued. For example, a request received before cut-off time on a Tuesday is processed effective for Tuesday, but in practice the transaction is completed on Wednesday once Tuesday's unit price is issued. Read pages 13 and 14 for more information on unit pricing.

For transactions that involve withdrawing super from your account, for a valid and complete request and in normal circumstances, please keep in mind the following payment timeframes:

- Transferring super to another Australian super fund may take up to three business days to be received by the other fund.
- Withdrawals paid in cash via direct credit may take up to seven business days for you to receive it into your bank account. It could take up to 10 days to receive by post if you've requested your payment by cheque.
- Some requests involve transferring super from one account to another within our fund. For example, moving super from a DB division into an Accumulate Plus or Retirement Access account. In these cases, the withdrawal transaction from one account must be processed first using the relevant unit price for the date of receipt. Then the deposit transaction is processed using the next available unit price. This means there's generally **at least one NSW bank business day where the funds are not invested**.

Some investment switches can be completed in the same transaction. For example, the switch out of one or more options and the switch into one or more options. These are completed using the unit price for each relevant option on the same day.

We reserve the right to delay a transaction where a request is not validly completed. Another example is where there may be a concern over the legitimacy of a request or for the security of our members. If a transaction is delayed, the unit price for the date your request is processed applies.

How we invest your eligible accumulation-style accounts

Introduction to growth and defensive assets

Growth assets

Some assets have the potential to achieve capital growth over the medium to long term, e.g. shares or property or other physical real assets. These are often referred to as growth assets or return-seeking assets.

Over shorter periods, these types of assets can be more volatile. This means their value can rise and fall frequently, and may rise or fall by a higher amount, than other types of assets. However, in the long term, these assets may produce higher average returns. There's also a greater likelihood to produce negative returns in the short to medium term.

Defensive assets

Other assets aim to provide a stable and/or steady income stream, e.g. cash or fixed interest investments. These are often referred to as defensive assets.

The level of returns for these assets is generally more stable but they may be more likely to be lower overall over the longer term. Defensive assets are considered less risky than growth assets but at times they can produce negative returns.

We invest in different asset types

We invest the super in your eligible accumulation-style accounts, together with similar accounts for other members, into a range of assets.

The investment options you can choose for your eligible accumulation-style accounts don't hold or invest separately in assets. Instead, all of our options are made up from our same underlying asset classes, in proportions determined by each option's asset allocation. This means the characteristics of the asset class, such as the assets held or geographic distribution of assets, is the same for all options that invest in that asset class.

Assets that tend to show similar properties or characteristics are often referred to more broadly as an asset class. We group the types of assets we invest in under five main asset classes, described in the following table.

The benchmark and actual performance for each asset class is included each year in our Annual Report, oursuperfund.com.au/annualreport.

Asset class	Description
Fixed Interest & Cash	Within our **fixed interest portfolio**, our investments are typically bonds, which are loans to government or corporate organisations in exchange for regular interest payments over an agreed timeframe. The bond amount is then repaid in cash when the loan matures. Fixed interest investments are usually less volatile than other types of investments, such as shares. Typically they have more consistent returns over shorter periods. However, in the current high inflation environment, higher levels of risk and volatility of returns for these investments are likely. Within our **cash portfolio**, our investments are predominantly high-quality shorter-term investment deposits. These are held with a range of financial institutions and money market instruments. They include, but are not limited to, short-term bank bills, treasury notes, certificates of deposit and term deposits. These types of investments generally provide stable returns, but have lower return levels over the longer term. Depending on the prevailing environment, returns may not keep pace with inflation.
Alternatives	Alternatives simply describe a range of investment strategies that have a different approach to traditional types of investments like shares, property, bonds etc. Typically, these alternative investments have a strong emphasis on providing diversification and capital growth opportunities within specialised and private markets. Our Alternatives asset class is made up of two main strategies: • Our 'alternative risk premia' strategy accesses a range of alternative return sources, from managing securities to accessing factors such as insurance, momentum, carry and value. The underlying instruments of this strategy may include fixed interest securities, money market instruments, and derivatives including options, futures, swaps, catastrophe bonds and foreign exchange forwards. This strategy seeks returns by exploiting the characteristics or behaviour of these assets. • Our credit strategy contains a diversified range of investments in specialised lending strategies. Similar to fixed interest, these strategies include loans to various organisations but debt markets are more niche and include a diverse range of loans to private, corporate, emerging and securitised credit markets. Opportunities within these strategies tend to provide exposure to greater but more variable capital growth potential than the more traditional securities in our fixed interest portfolio. Alternatives assets have a medium to high level of investment risk, but can also deliver a higher level of returns over the longer term.

Asset class	Description
Real Assets	This includes investments in real or physical assets such as property and infrastructure, which is the utilities and facilities that provide essential community services. We invest directly and indirectly, through listed and unlisted trusts, in assets in Australia and internationally. We share direct ownership of retail property assets and core infrastructure such as Brisbane Airport. Our property exposure includes offices, healthcare facilities and shopping centres, and our infrastructure includes airports, electricity co-generation and transmission, child care centres and toll-road assets. Returns on these assets come from the change in capital value over time, as well as from income received from the asset, e.g. rental income. Property and infrastructure assets have a higher level of investment risk, but can also deliver higher returns over the longer term.
Shares	A share represents a partial ownership of a company and can generally be bought and sold on a stock exchange. Sometimes shares are referred to as stocks or equities. We invest in shares for companies that are listed in Australia or internationally. Typically, for our diversified options we aim to hold around 30% of the value of this asset class in Australian shares and 70% in international shares. Hedging applies to our international shares portfolio (read ‘Currency risk’ on page 12). Returns on shares come from the capital growth or loss in the value of the company, as well as from any dividends paid to shareholders. Longer term returns for shares are often higher than other asset classes. Shares also have a higher risk and can rise and fall in value, and by larger amounts, over the shorter term. Visit oursuperfund.com.au/shareholdings for a list of our top 20 Australian and international share holdings.
Multi-Assets	We have a ‘multi-asset’ strategy that aims to improve our potential to achieve investment objectives over the longer term. Investment managers for our other asset classes invest only in that particular type or category of investment. However, our Multi-Assets managers can invest in a range of different assets. These assets can be both capital growth-seeking and/or defensive, including shares, fixed interest, high yield credit, listed infrastructure, absolute return strategies, and cash. Where and how the manager invests depends on their market outlook at any given time. The actual holdings for this asset class will vary frequently. This is because these managers can actively choose and change their investment holdings, within the guidelines of our agreements. There is no pre-determined allocation to any particular type of asset. Managers may hold a mix of growth and defensive assets, typically this asset class aims for long term growth, and has medium to high risk levels.

A panel of investment managers assists us

The trustee remains the responsible entity for all of the money we invest on behalf of our members. We also determine the overall investment strategy for the fund.

We appoint a number of specialist investment managers and allocate them a portion of money within each asset class. We select managers based on different areas of expertise in certain types of investments. We also select managers by aiming for a balanced mix of manager styles and philosophies when managing similar assets.

Our investment managers use different approaches to manage their portfolios. This can include passive management, which closely tracks a market benchmark or index. They may use active management, where the aim is to perform better than the market benchmark or index over the longer term.

Appointing a range of managers for most of our asset classes helps provide more consistent overall returns. Each manager collectively contributes to the overall performance of the asset class. Our asset class performance is what determines the returns that apply to the investment option or options in which you're invested.

The investment options you can choose for your eligible accumulation-style accounts don't invest separately with different managers. All of our options are made up from our same underlying asset classes (page 8 and 9), in proportions determined by each option's asset allocation.

This means the investment managers for each asset class are the same for all options that invest in that asset class.

Visit oursuperfund.com.au/managers for a list of our investment managers. We also report on the money allocated to each manager in our Annual Report, oursuperfund.com.au/annualreport.

Setting and monitoring our investment arrangements

In most cases, we don't pool our investment with an appointed manager's other investors or invest through the manager's wholesale investment structures. Instead, we have a direct agreement with each manager, sometimes referred to as an investment mandate, which sets out how they should invest on our behalf. The mandate may specify the types of assets that manager can or can't hold, an appropriate benchmark for performance, and allocated investment ranges.

We regularly monitor and review each investment manager's activities and performance to ensure they're meeting their obligations under their mandate.

Being invested in our investment options doesn't mean that you hold direct investments with our managers. Neither does it mean that the managers have any direct relationship with you or provide financial services directly to you. Our service providers, including investment managers, may change at any time without prior notice to you.

Environmental, social and governance (ESG) considerations

We have adopted an ESG policy (**ESG policy**) which can be found at oursuperfund.com.au/esg.

Complete details of the ESG principles we apply and its implementation can be found in the ESG Policy. However, the ESG Policy in summary addresses the following matters:

Investment governance

We consider the integration of ESG factors to have an influence on our members' long-term investment outcomes. So we consider and manage these factors, both in terms of risk and opportunities, when determining our investment strategy. This includes consideration at an asset class level and in relation to implementation, such as selection of managers.

As we outsource implementation of our investment strategy to a range of investment managers, we assess and expect each manager to have regard for ESG factors. Each manager may have their own policy on the extent to which these issues are taken into account when making investment decisions. The policies and practices of each manager are considered when we're selecting managers and monitoring their management of ESG factors and risks.

Stewardship

We believe that active ownership can influence company performance, and protect and enhance long-term value. We delegate the exercise of our voting rights in relation to shares listed in Australian and international companies to our investment managers. However, as we have ultimate responsibility of decisions relating to proxy voting, we may direct our managers on how to vote. We monitor the voting practices of our managers and publish our voting record in relation to our direct share ownership following the end of each financial year at oursuperfund.com.au/voting.

Investment exclusions

When considering and evaluating ESG factors, we have a decision-making framework that we may apply to determine the appropriate course of action for specific ESG factors. As part of this framework, in certain circumstances we also consider exclusions within our investment strategy. Within our direct holdings in listed shares and fixed interest portfolios, based on our agreed screening application, we screen out companies whose primary purpose is manufacturing tobacco or producing controversial weapons, along with companies mining of thermal coal and oil tar sands[3]. Our decision not to invest in these companies is for both alignment with our ESG values and financial reasons. For our indirect holdings, e.g. including derivatives, unit trusts and structures like exchange-traded funds, we don't have the same degree of control over individual investments, therefore these exclusions may not apply.

Climate change

We accept the scientific consensus that climate change is occurring and are committed to net zero emissions across our investment portfolio and operations by 2050, in line with the 2015 Paris Agreement goal of keeping global average temperatures to well below two degrees Celsius. We also believe that everyone has a role to play in transitioning to a net zero carbon emissions economy. This transition will present opportunities for us to take advantage of and risks for us to manage to ensure we protect and enhance the long term financial wellbeing of our members. We have a Climate Change Action Plan. While continuing to develop this plan to achieve our net zero 2050 commitment, we have set a 45% portfolio carbon emissions (Scope 1 and 2) expected reduction by 2030. The various steps we are taking to address climate change are set out in the ESG Policy.

Visit oursuperfund.com.au/climate-change to find out more about our position on climate change.

Modern slavery

We also assess and address risks of modern slavery and forced labour in our operations, supply chain and investments. We manage these risks by:

- identifying, managing, monitoring and mitigating the risks of modern slavery in our operations, supply chains and investments
- engaging with our service providers to promote the importance of mitigating and redressing the risks of modern slavery;
- reporting as required by the *Modern Slavery Act 2018* (Cth). A copy of our Modern Slavery and Human Trafficking statement may be found at oursuperfund.com.au/about-us/important-disclosures

Governance and oversight

We are committed to embedding ESG considerations into our business processes and decision making.

Our directors, committee members and executive officers bring a diverse range of experience, skills and knowledge to help govern our fund.

The trustee board comprises nine directors, all of whom serve in a non-executive capacity. The board has three independent directors, three member-elected directors and three employer-appointed directors.

We aim to maintain a board which has an appropriate mix of diversity, skills and experience, including a target of 40% of women on the Board as part of our Board diversity policy and remain above this target. Our overall approach to embedding our ESG policy is facilitated by our investment governance framework and our risk management framework. The Board is responsible for overseeing adherence to the ESG policy and monitoring progress towards targets.

[3] The screen applies to companies deriving more than 10% of their revenue from thermal coal mining or from oil/tar sands mining

Changes to our investment structure

From time to time, we may change the way we structure our investments, e.g. to seek improved performance or to better manage risk. As a result, we may:

- add or remove an investment manager, or change the number of managers allocated to an asset class
- change the percentage of money allocated to a manager
- change the investment objective for an option
- change the weightings of asset classes that make up an investment option.

Some changes, such as changes to investment managers or the funds allocated to them, may occur without notice to you. If we change a feature of an investment option that materially affects you, we'll notify you as required by law.

Managing investment risk

The main super benefits payable from our DB divisions at retirement or under other conditions are generally calculated based on a formula. Depending on the rules for your DB division, growth of these benefits depends on the various factors such as your salary, length of employment with the Group or membership of the fund, or your contribution rate. Investment performance doesn't generally affect the amount of DB super you're entitled to receive.

However, your eligible accumulation-style super accounts are invested and subject to certain risks. There's no way to avoid all risks, and investments with higher investment risks may produce higher potential returns. It is important to be aware of what the risks are and how they can be managed, so you can be comfortable with your choices.

Each investment option available for your eligible accumulation-style accounts has a different investment objective. The options have a mix of asset classes, so the level of investment risk is also different.

Diversification as a broad risk management strategy

Diversification is one important way to manage investment risk. Diversification simply means having variety of investments to help lower the risk associated with any single type of asset or holding.

There are different ways we use diversification in the way we structure our investments:

- Our diversified investment options automatically invest **across a range of asset classes**, which means returns are less dependent on the performance of any one asset class. If one asset class isn't performing well, others may be performing better, which may help reduce your overall risk exposure.
- Each option is, exposed to asset classes in different proportions. So some may be more influenced by certain asset class performance than others. By contrast, our single asset class options invest only in one particular asset class so returns are only affected by performance of that asset class.
- **Within an asset class**, our investment managers generally invest in a range of individual assets or securities. This means returns are less dependent on the performance on any one asset or security.
- Using a **range of investment managers** both within and across asset classes, each with different areas of expertise and investment styles, can help smooth out any performance variations.

Risk of negative returns reducing the value of your super

Investment performance, or a particular rate of return, is never guaranteed. For your eligible accumulation-style accounts, there's a risk that investment returns are negative over some periods. For some types of assets, such as shares, returns may be negative more frequently.

! Switching out of an investment option during a time of lower or negative returns means you may lock in the value of any losses. You may also miss out on the opportunity to recover if markets turnaround. We recommend you seek advice when making investment changes, particularly in these circumstances.

Standard Risk Measure

The Standard Risk Measure (SRM) scale is based on industry guidance. The scale allows members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period.

The SRM is not a complete assessment of all forms of investment risk. For example, it doesn't detail what the size of a negative return could be. Nor does the SRM observe the potential for a positive return to be less than you require to meet your objectives. It also doesn't take into account the effect of administration fees and tax on the likelihood of a negative return.

You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment options, or the applicable default investment option.

The SRM uses a 7-point scale, outlined in the following table. The SRM for each of our investment options is shown in the tables on pages 3 and 4.

Risk band	Risk label	Estimated number of years with a negative annual return over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or more

The estimated number of years with a negative annual return shown in the SRM table above is a scale guide only. Returns always depend on current market and economic conditions. Negative returns and/or increased volatility of returns may occur more or less frequently than the estimates provided.

Other specific risks that may affect your investment

Investments may be exposed to other risks. Not all of the following risks apply to all investment options; it depends on the asset class make-up of the individual option.

- **Market risk**: Economic, technological, political or legal conditions, and even market sentiment, can affect investment markets and therefore the performance of different investment options. In some cases, we've appointed a number of investment managers for their specialist research and investment skills to reduce this risk. We also manage this risk through diversification of assets and ensure asset allocations are aligned with return objectives and investment time horizons.
- **Interest rate risk**: Interest rate changes can have a positive or negative effect, either directly or indirectly, on investment value or returns of interest bearing asset classes. For example, when interest rates change, the capital value of fixed interest assets may change and the income return on the assets can become more or less favourable. Generally, the value of fixed interest assets fluctuates more than cash assets.
- **Inflation risk**: This is the risk that investment returns don't keep pace with inflation. Inflation is the increase in the cost of goods and services over time, measured by the Australian Bureau of Statistics through the Consumer Price Index (CPI). If CPI exceeds investment returns, there is a risk that the value of your super may not have as much buying power in the future compared to today. The investment objective for each of our diversified investment options targets a rate of return over and above CPI. Keeping a portion of these options invested in growth assets that aim to provide some capital growth over the longer term helps reduce inflation risk.
- **Investment manager risk**: This is the risk of our managers failing to meet the benchmarks and/or objectives we set for them, or where there is key person risk. To manage this risk, we regularly review and monitor the activities and performance of all our managers.

Read page 9 for more on our investment managers.

- **Credit/counterparty risk**: This is the risk that a debtor or counterparty fails to make a payment or there's a change in their ability to make payments. We require our investment managers to have documented policies and procedures for monitoring and managing credit and counterparty exposure. We also typically manage these risks through our investment mandates by defining limits and restrictions for holdings in any individual issue, issuer (including country) or security. Investment mandates help to ensure risk exposures are well diversified.
- **Currency risk**: We have exposure to some international investments. If an overseas currency changes in value relative to the Australian dollar, the value of the investment can change. We aim to reduce or remove the effect of currency movements through a currency hedging strategy.

  All of our listed and direct international investments aim to be fully hedged (100%), other than our international shares portfolio. We engage a specialist currency manager to manage foreign currency exposure for our international shares, offshore real assets and alternatives portfolios. For our international shares portfolio, we engage a specialist currency manager to manage foreign currency exposure, the currency manager hedges 25% of developed market currency exposure, the emerging market currency exposure is unhedged. Our Multi-Assets managers typically fully hedge their foreign currency exposure except for a portion of their international shares allocation unless they're taking an active position, but have some discretion.
- **Liquidity risk**: This risk occurs when an asset or security can't be easily sold when required without a significant effect on price. We manage this by establishing limits and regularly monitoring our liquidity position, including modelling how our liquidity position holds up under normal and stressed environments.
- **Derivative risk**: A derivative is an investment-related agreement that derives its value from other securities or assets. Derivatives can be used to manage certain investment risks but they may also increase other risks associated with the investment or expose the investment to additional risks. Derivative risks include the failure of the derivative's value to move in line with the underlying asset, or related currency, interest rate, counterparty and liquidity risks. Our trust deed authorises the use of derivatives such as futures and options in our investment strategy. We primarily use derivatives to achieve transactional efficiency, hedge various market and asset exposures, reduce volatility and reduce transaction costs. We do not permit the use of derivatives for speculative purposes. As part of our risk management plan, we must pre-approve the use of derivatives for each investment manager. Then these exposures are monitored and managed through guidelines within our investment mandates.

- **ESG risk**: We believe there is a potential impact to returns from investments that may benefit or suffer from changing ESG conditions.

Read pages 10 and 11 for more on how we consider these factors in our investment decisions.

- **Climate risk**: We accept the scientific consensus that climate change is occurring and expect it to have an impact on members' investment outcomes as the regulatory, environmental, economic and social impacts of climate change grow over time. We believe climate change creates both investment risks and opportunities and we're continuing to develop our framework and approach to climate change. This includes how we can invest in opportunities, improve the resilience of our assets, and monitor and mitigate against climate change related risks.

Changes to tax and super laws

Laws relating to superannuation, or associated areas such as tax or social security, may change, which could affect your retirement planning.

Keep in mind that some important features of the super system are dependent on these laws. This includes:

- how much you can contribute,
- the age and conditions under which you can withdraw your super in cash,
- how contributions, investment returns and withdrawals are taxed,
- and how income or pension payments from your super are taken into account for social security purposes.

Unit pricing and how it relates to transactions, your account balance and investment returns

Units are the basis of your account and any transactions

The balance of each of your eligible accumulation-style accounts is made up of a number of units. Each unit represents a portion of the underlying assets of the investment option that you're invested in so it has a value. This is called the unit price.

Your account balance is calculated as the number of units you hold in an investment option multiplied by the unit price for that option for that day.

> **Example**: If you have 10,300 units in the Balanced option and its unit price for a particular day is \$3.2584, your account balance will be worth 10,300 x \$3.2584 = \$33,561.52 as at that day.

When contributions or other deposits are added to your eligible accumulation-style account, or when you switch into an investment option, you buy or gain units in that option. Similarly, you sell or reduce your units in an investment option when money is deducted, withdrawn or switched out. The number of units that you gain or sell is equal to the dollar value of the transaction divided by the unit price for the applicable investment option for that date.

> **Example**: You make a contribution of \$2,000 into the Growth option and the unit price for that transaction date is \$3.4620. You'd be allocated 577.70 units in the Growth option for that transaction, i.e. \$2,000 ÷ \$3.4620.
>
> **Example**: Your eligible accumulation-style account balance of \$10,000 is invested only in the Growth option. However, you decide to switch 25% of your balance into the Cash option, which is a transaction amount of \$2,500. The Growth option's unit price on the transaction date is \$3.4612, so your number of units in Growth decreases by 722.29 (\$2,500 divided by the Growth unit price). The Cash unit price on the transaction date is \$1.9330, so your units in the Cash option increases by 1293.33 units (\$2,500 divided by the Cash unit price).

How we calculate unit prices

A unit represents an equal part of the total market value of an investment option and therefore has a unit price. We calculate our unit prices daily for each investment option, effective each NSW bank business day.

To calculate the unit price, we divide the net market value of the investment option's assets on a particular day by the total number of units held by all members invested in that option on that day.

The net market value is the total market value of an investment option's assets, including any income entitlements such as dividends and distributions, less any liabilities that apply. Liabilities include taxes that apply to the assets, investment fees and costs, transaction costs, and asset-based administration fees. Asset-based administration fees are calculated as a percentage of your account balance.

We determine market value of our assets based on the most recently available and independently verified information; some exceptions may apply. The market value of some assets can be determined every day, such as shares. For other assets, like property or infrastructure, independent valuations occur less frequently, but at least quarterly or six-monthly.

We calculate market values once all investment markets have closed trading for that day. This means unit prices are generally calculated and issued on the following NSW bank business day.

The unit price calculated for any NSW bank business day is used to process all transactions that we receive before the cut-off time on that day. Refer to page 7 for more on how transactions are processed.

Check your investment returns at oursuperfund.com.au/returns.

We have the discretion to amend the way we calculate and determine unit prices at any time. We also have discretion to suspend unit prices for short-term periods if we determine that a unit price can't be calculated reliably or in particular circumstances such as a delay in performing the standard unit price calculations.

Calculating different buy/sell unit prices

We currently calculate one unit price for each investment option. This means that the buy price when investing into an option is equal to the sell price when withdrawing out of that option for the same day.

We reserve the right to introduce different unit prices for buying and selling transactions in the future. The difference between the two unit prices generally reflects different costs associated with buying or selling of assets and is commonly known as a buy/sell spread.

How returns apply to your account through unit prices

The returns for an investment usually come from a change in the market value of that investment. The same is true for the super in your eligible accumulation-style accounts. Changes in the value of the investment option or options that apply to your account will change the value of your super.

Returns for our investment options aren't credited to or debited directly from your eligible accumulation-style account balance as a transaction. This is unlike what you might see when an interest payment is credited to a bank account for example. Instead, investment returns for your account are determined through our unit pricing.

The market value of each investment option's assets generally changes each day, so the option's unit price also changes each day. Read page 13 for more on how we calculate unit prices.

The number of units you hold in an investment option remains the same unless a financial transaction occurs on your account for that option. However, your account balance changes each day even when there are no transactions because the unit price or value of the units changes each day. This change in balance is effectively the investment returns that apply to your super applied through the change in unit price.

> **Example**: An investment option's assets are valued at $500,000 and there are 250,000 units on issue across all members, so the unit price is $2. You hold 1,000 units, so your account balance is worth $2,000 on that day.
>
> On the following day, the investment option's assets have increased in value and are now worth $525,000. There are still only 250,000 units on issue, so the new unit price is $2.10. You haven't had any transactions on your account so you still have 1,000 units but using the new unit price, your account balance is now $2,100. The change in unit price, and therefore your account balance, reflects a positive investment return of 5%.
>
> Similarly, if the investment option's assets had decreased to a value of $480,000, the new unit price would be $1.92 and your account would be worth $1,920. This example represents a negative return of 4%.

Check your investment returns at oursuperfund.com.au/returns.

Some fees and taxes are deducted through unit pricing

The investment fees and costs and part of the administration fee that apply to your eligible accumulation-style accounts are calculated as a percentage of your account balance. You sometimes see these referred to as asset-based fees.

We don't deduct these fees directly from your account balance as a transaction. Instead we deduct them from the overall market value of the investment option before we calculate the daily unit price. In other words, these fees reduce the amount of investment return that applies to your account.

Similarly the tax that applies to investment returns for super accounts is deducted from the investment option's value and therefore reduces investment returns.

The daily unit prices and the investment returns that we publish for each investment option are calculated after the asset-based fees and any applicable tax has been deducted.

This section doesn't include all the fees and taxes that apply your super. For more information, you should read *Part 2: Fees and other costs* from page 15.

Unit pricing adjustments

There are a number of factors used to calculate unit prices, including asset valuations, liabilities, debtors, the number of units on issue, and transaction costs.

If, at a future date, any of the factors used to calculate a unit price are identified as having been incorrect, an adjustment to the unit price generally occurs.

Consistent with regulatory practice guidelines and industry standards, if a unit pricing error:

- is greater than or equal to a variance of at least 0.30% in the unit price calculations, or
- a variance of at least 0.05% in the case of our Cash investment option, and
- you've had a transaction on your eligible accumulation-style account using the incorrect unit price,

we may make an adjustment to the affected unit price, compensate your account balance or make other adjustments as we may consider appropriate.

Where your account has been closed and the adjustment amount is more than $20, we pay this amount based on the last payment instructions from your account. In some cases, we may compensate where the unit pricing error is less than these tolerance levels.

Part 2: Fees and other costs

Fees and other costs don't generally apply in relation to your main DB super in our fund. However, fees and other costs apply for any eligible accumulation-style accounts within your DB division that are eligible for investment choice.

Part 2 of this DB Supplement shows the fees and other costs that you may be charged for those eligible accumulation-style accounts. These fees and other costs are deducted from the returns on your investment. Other fees, such as advice fees for personal advice, may also be charged but these depend on the nature of the advice chosen by you. Taxes are set out in your Member Booklet.

You should read all the information about fees and other costs because it's important to understand their impact on your investment.

The fees and other costs for each investment option are set out on page 16.

Note: If you also have an Accumulate Plus or Retirement Access account in our fund, the type and amount of fees is different for those accounts. You should refer to the relevant Member Guide (product disclosure statement) for your other account available from oursuperfund.com.au/pds for more information.

Fees and costs summary

Eligible accumulation-style accounts

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs[4,5]		
Administration fees and costs	0.12%[5] of eligible accumulation-style account balance per year	Deducted daily from the market value of the option's assets before unit price calculation, reducing investment returns
Investment fees and costs[6,7,8]	From 0.11% to 0.54%[6] of eligible accumulation-style account balance per year. This is estimated for the 12 months to 30 June 2023[8], depending on the investment option. See page 16 for fees and costs for each option	Deducted daily from the market value of the option's assets before unit price calculation, reducing investment returns
Transaction costs	From 0% to 0.08%[7] of eligible accumulation-style account balance per year. This is estimated for the 12 months to 30 June 2023[8], depending on the investment option. See page 16 for costs for each option	Deducted daily from the market value of the option's assets before unit price calculation, reducing investment returns
Member activity related fees and costs		
Buy/sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Other fees and costs	Advice fees for personal advice may apply if you use this feature – See page 17 for more information	If requested, fee amount is agreed between you and your adviser and paid directly to the adviser. Or you may request the fee to be deducted from an Accumulate Plus or Retirement Access balance in our fund if you have one

4 If your eligible accumulation-style account balance is less than $6,000 at the end of the fund's income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded (page 19).

5 The actual fees and costs applied are generally less than the figure shown, as we pass on any tax benefit that the fund is entitled to in relation to these fees and costs by reducing the fees and costs you pay (page 18).

6 Investment fees and costs include an estimated amount of 0.0% to 0.01% for performance fees. The calculation basis for this amount is set out under *Additional explanation of fees and costs* on pages 16 and 17.

7 We are required to show investment costs based on the prior financial year (i.e. to 30 June 2023)

8 Past costs are not a reliable indicator of future costs. These fees and 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 that we incur in managing the investment option for that year.

Estimate of total fees and costs for 1 year

Table 1 below gives an estimate of the total fees and costs that you may be charged over a 1-year period for each investment option that's available for your eligible accumulation-style accounts.

The total cost of product assumes an account balance of $50,000 at the beginning of and throughout the year. Then the costs are calculated based on the ongoing annual fees and costs described in the Fees and costs summary on this page.

You can find more information about each type of fee or cost in the following Additional explanation of fees and costs.

! Table 1 is for illustrative purposes only. Your actual account balance varies each day based on contributions, deductions and investment returns applied through daily unit pricing. This affects the amount of fees and costs that are calculated based on a percentage of your balance. The investment fees and costs and transaction costs shown in Table 1 are estimated for the 12 months to 30 June 2023. However, past costs are not a reliable indicator of future costs. Some costs 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 that we incur in managing our investments for that year. In addition, the actual amount charged is also generally less than the figures shown. This is because we pass on any tax benefit that the fund is entitled to by reducing the fees and costs that you pay (page 18).

Table 1: Estimate of total fees and costs for 1 year.

Investment option	Administration fees and costs (% p.a. of balance)	Estimated investment fees and costs (% p.a. of balance)	Estimated transaction costs (% p.a. of balance)	Estimated 1-year cost of product based on $50,000 balance
	(A)	(B)	(C)	=(A+B+C) x 50,000
Cash	0.12%	0.11%	0.00%	**$115**
Conservative	0.12%	0.36%	0.04%	**$260**
Moderate	0.12%	0.48%	0.06%	**$330**
Balanced	0.12%	0.54%	0.07%	**$365**
Growth	0.12%	0.54%	0.08%	**$370**

Additional explanation of fees and costs

Administration fees and costs

Administration fees and costs apply to any eligible accumulation-style accounts, calculated as 0.12% (gross) of your account balance per year.

These fee and costs are not deducted directly from your account balance as a transaction. Instead fees and costs are deducted from the market value of the assets of the investment option before unit prices are calculated, reducing investment returns.

Administration fees and costs are subject to a low-balance fee cap (page 19).

Investment fees and costs

The investment fees and costs that apply to your eligible accumulation-style accounts are the fees and cost we pay directly or indirectly. These are paid to our investment managers, custodian or other service providers for their role in managing and investing the assets that make up our investment options.

Investment fees and costs are different for each investment option, ranging from 0.11% to 0.54% p.a. (see Table 1 above), calculated as a percentage of the value of your account balance invested in the option.

These fees and costs are not deducted directly from your account balance as a transaction but instead are deducted from the market value of the assets of the investment option before unit prices are calculated, reducing investment returns. Read page 14 for more on how these fees and costs are charged through unit pricing and reduce investment returns.

Investment fees and costs are subject to a low-balance fee cap (page 19).

Performance fees

An estimation for performance fees is included in the estimated investment fees and costs (see Table 1 above).

As part of our investments, we may have performance fee arrangements. This is where an additional fee is payable, as part of investment fees and costs, if an investment achieves performance above an agreed target return.

Performance fees may vary from year to year and can't be calculated precisely in advance. The amount payable, if any depends on the amount of money allocated to the particular investment and whether the agreed target level of outperformance is achieved.

As a guide, the estimated performance fees that applied to our investment options to 30 June 2023 are provided in Table 2. These figures are calculated based on the estimated average of the previous five financial years of performance fees paid for the relevant investments divided by the average funds allocated to these investments over the period.

If payable, performance fees are not deducted directly from your account balance as a transaction but instead are deducted from the market value of the assets of the investment option before unit prices are calculated, reducing investment returns.

Table 2: Estimated performance fees to 30 June 2023 – these performance fees are already included in the investment fees and costs and cost of product figures shown in Table 1.

Investment option	Estimated performance fees (% p.a. of balance)
Cash	—
Conservative	0.01%
Moderate	0.01%
Balanced	0.01%
Growth	0.01%

Transaction costs

Transaction costs represent the fund's costs in buying, holding and selling the assets that make up our investment options. Transaction costs vary based on trading activity in our portfolios. Depending on the type of assets involved, transaction costs may include:

- brokerage – amounts paid to a broker to carry out transactions, e.g. buying or selling shares
- buy-sell spread – any difference between the amount to acquire an asset and the amount for which it could be sold
- settlement/clearing costs – amounts paid to a clearing house to settle transactions, most often related to trading of futures
- stamp duty – government tax payable when certain assets are traded
- due diligence costs – costs to carry out due diligence services on investments, including legal or advisory costs
- certain costs associated with trading over-the-counter (OTC) derivatives
- costs incurred by an interposed vehicle in which we invest, that would be considered transaction costs if we incurred the costs directly.

The amount of transaction costs are generally related to the type and complexity of the assets or asset class. For example, real assets such as property may have higher transaction costs related to significantly higher stamp duty costs compared to assets such as shares. Similarly, portfolios that are actively managed may incur greater transaction costs if buying and selling of securities occurs more frequently than a passively-managed portfolio.

Transaction costs are different for each investment option, ranging from 0% to 0.08% p.a. (see Table 1 on page 16). Cost are calculated as a percentage of the value of your account balance invested in the option.

We don't currently charge a buy-sell fee for any of our investment options, so no portion of the transaction costs is recoverable in this way.

Transaction costs are not deducted directly from your account balance as a transaction but instead are deducted from the market value of the assets of the investment option before unit prices are calculated, reducing investment returns.

Advice fees

As part of the services we offer, we've arranged for a specialist team of financial advisers to provide advice to you over the phone about your DB super, through Mercer Financial Advice (Australia) Limited (ABN 79 153 168 293, AFSL 411766).

An advice fee does **not** apply when you use this service for advice relating to investment options, super contributions or benefit options within your DB super – this is known as intra-fund advice. If you'd like to talk to one of these advisers, call us on 1800 135 970 and ask to speak with the Advice team.

An advice fee may apply if you request personal financial advice about your super in our fund in the following circumstances:

- An advice fee applies if you receive super-related advice from the Mercer Financial Advice team that is outside the scope of intra-fund advice. In this case the adviser will let you know before providing the advice
- If you receive financial advice from any authorised financial adviser of your choice in relation to your super in our fund.

If you agree to proceed and an advice fee applies in the circumstances above, the advice fee can't be deducted from your DB super. However, if you also have an Accumulate Plus or Retirement Access account in our fund, you may elect for us to pay this fee to the Advice team.

Similarly, you could request the fee agreed with your adviser to be deducted from that account balance. Certain conditions apply, see our website for more information.

We only deduct an advice fee from an Accumulate Plus or Retirement Access account where both you and your financial adviser agree. Once agreed please complete our ***Request to pay advice fee*** form, available from oursuperfund.com.au/forms.

Only one advice fee can be deducted from an Accumulate Plus or Retirement Access account in a 12-month period and the maximum advice fee is $5,000 (including GST). The payment of any advice fee can't reduce your Accumulate Plus or Retirement Access account balance below any applicable minimum balance requirements.

We don't supervise and we're not responsible for the provision of financial advice services by any financial adviser. This includes the Mercer Financial Advice team, although we've arranged for them to provide intra-fund advice.

The cost of any financial advice that doesn't relate to your super in our fund can't be deducted from an Accumulate Plus or Retirement Access account.

Changes to fees and charges

We may vary our fees and costs or introduce a new fee or cost at our discretion at any time without your consent.

If fees and costs increase (other than investment fees and costs) or if we introduce a new fee, we notify you. Notification will occur at least 30 days before the change is to take effect, or as required by law in the case of costs. If investment fees and costs increase, we notify you as required by law.

Tax may also apply

Depending on your circumstances, withholding tax may apply to lump sum withdrawals, pension payments or death benefits paid from your DB super.

Read our ***How super benefits are taxed*** fact sheet available from oursuperfund.com.au/factsheets.

We may pass the fund's tax benefit on to you

Our fund is entitled to a tax benefit on gross administration and investment fees and costs paid to our service providers. We pass this tax benefit on to you by reducing the amount of fees and costs that you pay.

We disclose all fees and costs in this DB Supplement as the gross amount before any tax benefit is applied. So the actual net amount that you pay may be less than the figures shown. This may also apply to any advice fee we pay from an Accumulate Plus or Retirement Access account at your request.

On your benefit statement and in some other documents, you may see both the gross and net figures shown for fees and costs.

Defined fees

The following fees and costs may be charged to you in relation to any eligible accumulation-style accounts within your DB division. We do not charge all of these fees to you in relation to your account.

Activity fees

A fee is an activity fee if:

a) the fee relates to costs incurred by the trustee of the fund that are directly related to an activity of the trustee that is engaged in at the request, or with the consent, of a member, or that relates to a member and is required by law, and

b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

Note: We don't currently charge any activity fees.

Administration fees and costs

Administration fees and costs are fees and costs that relate to the administration or operation of the fund and include costs incurred by the trustee of the fund that:

a) relate to that administration or operation, and

b) are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Note: Administration fees and costs apply to eligible accumulation-style accounts, as described on page 15.

Advice fees

A fee is an advice fee if:

a) the fee relates directly to costs incurred by the trustee of the fund because of the provision of financial product advice to a member by:

   i) the trustee of the fund; or

   ii) another person acting as an employee of, or under an arrangement with, the trustee of the fund; and

b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.

Note: An advice fee may apply but only if you use this feature, as described on page 2.

Buy-sell spreads

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the fund in relation to the sale and purchase of the assets of the fund.

Note: We don't currently charge a buy-sell spread for any of our investment options

Exit fees

An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in the fund.

Note: We don't currently charge an exit fee.

Investment fees and costs

Investment fees and costs are fees and costs that relates to the investment of the assets of the fund and include:

a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees), and

b) costs incurred by the trustee of the fund that:

   i) relate to the investment of the assets of the fund; and

   ii) are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Note: Investment fees and costs apply to all investment options, as described on page 16.

Switching fees

A switching fee for a superannuation product other than a MySuper product is a fee to recover the costs of switching all or part of a member's interest in the fund from one investment option or product to another.

Note: We don't currently charge a switching fee for any of our investment options.

Transaction costs

Transaction costs are costs associated with the sale and purchase of assets of the fund other than costs that are recovered by the fund charging buy-sell spreads.

Note: Transaction costs apply to all investment options, as described on page 17.

A fee cap applies to low-balance accounts

A fee cap applies if your eligible accumulation-style account balances are less than $6,000 at the end of the financial year or at the date your account is closed (date of exit). This cap means that the administration and investment fees and costs charged for your account are capped at 3% of the account balance.

This fee cap doesn't apply to advice fees deducted from your account, if applicable to you.

Your entitlement to the fee cap is assessed annually, based on your account balance as at 30 June and the total administration and investment fees and costs charged during that financial year.

If you close your account, we assess your balance at your date of exit and the fees and costs charged from the start of the financial year until your date of exit.

If, on the date of assessment, your account balance is less than $6,000 and you've been charged fees and costs that exceed the cap, we refund the excess to your account.