

# **COMMONWEALTH BANK GROUP SUPER**

*(ABN 24 248 426 878)*

*Registrable Superannuation Entity Registration No. R1056877*

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2023**

### **TRUSTEE:**

**COMMONWEALTH BANK OFFICERS  
SUPERANNUATION CORPORATION  
PTY LIMITED**

*(ABN 76 074 519 798)*

*Australian Financial Services Licence No. 246418*

*Registrable Superannuation Entity Licence No. L0003087*

## COMMONWEALTH BANK GROUP SUPER

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$'000	2022 \$'000
<b>Superannuation activities</b>			
Interest		92,624	80,106
Dividends		157,946	149,564
Distributions from unit trusts		80,304	97,583
Property income		23,842	28,641
Net changes in fair value of financial instruments	3	699,995	(1,101,461)
<b>Total net income</b>		<b>1,054,711</b>	<b>(745,567)</b>
Investment expenses		(58,143)	(59,258)
Administration expenses		(15,667)	(15,266)
Other operating expenses	6	(9,617)	(10,747)
<b>Total expenses</b>		<b>(83,427)</b>	<b>(85,271)</b>
<b>Operating result before income tax</b>		<b>971,284</b>	<b>(830,838)</b>
Income tax expense/(benefit)	7	66,591	(152,730)
<b>Operating result after income tax</b>		<b>904,693</b>	<b>(678,108)</b>
Net benefits allocated to defined contribution (DC) member accounts		(589,968)	280,500
Net change in defined benefit (DB) member benefits		(67,483)	348,723
<b>Net operating result after income tax</b>		<b>247,242</b>	<b>(48,885)</b>

## COMMONWEALTH BANK GROUP SUPER

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023

	Notes	2023		2022	
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Cash and cash equivalents</b>	14		<b>398,129</b>		558,822
<b>Receivables</b>					
Investment debtors		<b>57,242</b>		72,626	
Interest accrued		<b>12,683</b>		12,017	
Dividends outstanding		<b>19,795</b>		16,910	
Sundry debtors		<b>1,186</b>	<b>90,906</b>	<b>1,007</b>	102,560
<b>Investments</b>					
Equities - Listed	4	<b>4,803,482</b>		4,100,447	
Fixed income securities - Government		<b>2,687,083</b>		2,514,712	
Fixed income securities - Corporate		<b>1,322,729</b>		973,289	
Unit trusts		<b>2,567,076</b>		2,879,252	
Derivative assets	15 (c)	<b>198,130</b>		301,115	
Equities - Unlisted		<b>4,121</b>		7,307	
Property	8	<b>864,088</b>		917,375	
Pledged investments	15 (c)	<b>1,126</b>	<b>12,447,835</b>	<b>14,900</b>	11,708,397
<b>Tax assets</b>					
Current tax assets		-	-	46,205	46,205
<b>Total assets</b>			<b>12,936,870</b>		<b>12,415,984</b>
<b>Liabilities</b>					
<b>Payables</b>					
Benefits outstanding		<b>(8,808)</b>		(11,801)	
Investment creditors		<b>(104,959)</b>		(108,740)	
Sundry creditors		<b>(17,269)</b>	<b>(131,036)</b>	<b>(13,408)</b>	(133,949)
<b>Derivative liabilities</b>	15 (c)		<b>(209,717)</b>		(366,809)
<b>Tax liabilities</b>					
Current tax liabilities		<b>(33,404)</b>		-	
Deferred tax liabilities	7 (c)	<b>(88,796)</b>	<b>(122,200)</b>	<b>(37,440)</b>	(37,440)
<b>Total liabilities excluding member benefits</b>			<b>(462,953)</b>		<b>(538,198)</b>
<b>Net assets available for member benefits</b>			<b>12,473,917</b>		<b>11,877,786</b>
<b>Member benefits</b>					
Defined contribution member liabilities	13 (b)		<b>(9,426,357)</b>		(8,971,656)
Defined benefit member liabilities	13 (c)		<b>(2,577,494)</b>		(2,634,766)
Unallocated to members			<b>(714)</b>		(585)
<b>Total net assets</b>			<b>469,352</b>		<b>270,779</b>
<b>Equity</b>					
Operational risk financial reserve	17		<b>31,280</b>		30,683
Unallocated surplus/(deficiency)	13 (d)		<b>438,072</b>		240,096
<b>Total equity</b>			<b>469,352</b>		<b>270,779</b>

COMMONWEALTH BANK GROUP SUPER

STATEMENT OF CHANGES IN MEMBER BENEFITS  
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	DC Member benefits \$'000	DB member benefits \$'000	Total \$'000
<b>Opening balance as at 1 July 2022</b>		<b>8,971,656</b>	<b>2,634,766</b>	<b>11,606,422</b>
Employer contributions		519,680	56,290	575,970
Member contributions		33,505	4,246	37,751
Transfers from other superannuation entities		110,133	-	110,133
Transfers to other superannuation entities		(570,663)	(21,109)	(591,772)
Income tax on contributions		(70,679)	(8,443)	(79,122)
<b>Net after tax contributions</b>		<b>21,976</b>	<b>30,984</b>	<b>52,960</b>
Benefits to members		(213,389)	(141,427)	(354,816)
Insurance premiums charged to members' accounts		(44,052)	-	(44,052)
Death and disability benefits credited to members' accounts		37,217	-	37,217
Transfer of funds from DB to DC member benefits		14,404	(14,404)	-
Equity transfers to/(from) members:				
Unallocated surplus		48,454	-	48,454
Reserve transfers to/(from) members:				
Operational risk financial reserve		123	92	215
Net benefits allocated to DC members, comprising:				
Net investment income		636,199	-	636,199
Investment fees		(30,577)	-	(30,577)
Administration fees		(15,523)	-	(15,523)
Adviser service fees		(131)	-	(131)
Net change in DB member benefits		-	67,483	67,483
<b>Closing balance as at 30 June 2023</b>	13	<b>9,426,357</b>	<b>2,577,494</b>	<b>12,003,851</b>

COMMONWEALTH BANK GROUP SUPER

STATEMENT OF CHANGES IN MEMBER BENEFITS  
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	DC Member benefits \$'000	DB member benefits \$'000	Total \$'000
<b>Opening balance as at 1 July 2021</b>		10,092,902	3,114,646	13,207,548
Employer contributions		434,842	51,926	486,768
Member contributions		46,146	4,545	50,691
Transfers from other superannuation entities		127,012	154	127,166
Transfers to other superannuation entities		(1,274,195)	(11,039)	(1,285,234)
Income tax on contributions		(54,306)	(7,789)	(62,095)
<b>Net after tax contributions</b>		<b>(720,501)</b>	<b>37,797</b>	<b>(682,704)</b>
Benefits to members		(153,580)	(152,494)	(306,074)
Insurance premiums charged to members' accounts		(38,054)	-	(38,054)
Death and disability benefits credited to members' accounts		19,046	-	19,046
Transfer of funds from DB to DC member benefits		19,231	(19,231)	-
Equity transfers to/(from) members:				
Unallocated surplus		32,974	-	32,974
Reserve transfers to/(from) members:				
Operational risk financial reserve		139	2,771	2,910
Net benefits allocated to DC members, comprising:				
Net investment income		(238,109)	-	(238,109)
Investment fees		(29,209)	-	(29,209)
Administration fees		(13,094)	-	(13,094)
Adviser service fees		(88)	-	(88)
Net change in DB member benefits		-	(348,723)	(348,723)
<b>Closing balance as at 30 June 2022</b>	13	<b>8,971,656</b>	<b>2,634,766</b>	<b>11,606,422</b>

## COMMONWEALTH BANK GROUP SUPER

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023

	Operational risk financial reserve \$'000	Unallocated surplus/ (deficiency) \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2022</b>	30,683	240,096	270,779
Transfer to/(from) DC member accounts	(123)	(48,454)	(48,577)
Transfer to/(from) DB member accounts	(92)	-	(92)
Operating result	812	246,430	247,242
<b>Closing balance as at 30 Jun 2023</b>	<b>31,280</b>	<b>438,072</b>	<b>469,352</b>

	Operational risk financial reserve \$'000	Unallocated surplus/ (deficiency) \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2021</b>	33,537	322,010	355,547
Transfer to/(from) DC member accounts	(139)	(32,974)	(33,113)
Transfer to/(from) DB member accounts	(2,771)	-	(2,771)
Operating result	56	(48,940)	(48,884)
<b>Closing balance as at 30 June 2022</b>	<b>30,683</b>	<b>240,096</b>	<b>270,779</b>

## COMMONWEALTH BANK GROUP SUPER

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Interest received		92,624	77,622
Dividends and distributions from unit trusts		242,732	258,727
Property income		23,842	21,381
Investment expenses		(64,092)	(64,077)
Administration expenses		(15,666)	(10,408)
Other operating expenses		(5,609)	(10,673)
Death and disability insurance benefits		37,217	19,975
Insurance premiums		(44,053)	(34,661)
Income tax paid		64,373	(96,270)
<b>Net cash inflows/(outflows) from operating activities</b>	14	<u>331,368</u>	<u>161,616</u>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of investments		12,832,408	14,357,442
Purchases of investments		(13,019,748)	(13,561,769)
<b>Net cash inflows/(outflows) from investing activities</b>		<u>(187,340)</u>	<u>795,673</u>
<b>Cash flows from financing activities</b>			
Employer contributions		576,087	482,904
Member contributions		37,751	51,865
Transfers from other superannuation entities		110,133	134,253
Transfers to other superannuation entities		(591,772)	(1,294,548)
Benefits paid to members		(357,810)	(298,019)
Tax on contributions paid		(79,122)	(62,095)
<b>Net cash inflows/(outflows) from financing activities</b>		<u>(304,733)</u>	<u>(985,640)</u>
<b>Net increase/(decrease) in cash</b>		<u>(160,705)</u>	<u>(28,351)</u>
<b>Effects of exchange rate changes on cash</b>		12	(5,011)
<b>Cash at the beginning of the year</b>		558,822	592,184
<b>Cash at the end of the year</b>		<u><u>398,129</u></u>	<u><u>558,822</u></u>

# COMMONWEALTH BANK GROUP SUPER

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

### 1. GENERAL INFORMATION

Commonwealth Bank Group Super ("the Fund") is a statutory superannuation fund established under the Commonwealth Banks Act 1959. With effect on and from 19 July 1996, the Fund became governed by a Trust Deed made on 11 July 1996, with all the rights and liabilities of members and beneficiaries of the Fund that existed immediately before 19 July 1996 continuing, subject to the Trust Deed.

The trustee of the Fund is Commonwealth Bank Officers Superannuation Corporation Pty Limited (ABN 76 074 519 798) ("the Trustee"). It is an Australian Financial Services Licensee, holding licence number 246418 and a Registrable Superannuation Entity, holding licence number L0003087.

The Fund is a regulated superannuation fund under the Superannuation Industry (Supervision) Act 1993 ("SIS Act").

The purpose of the Fund is to provide superannuation benefits to its members. The Fund provides both defined benefits and accumulation benefits in accordance with its Trust Deed and Rules. For the purposes of the financial statements the Fund is a not for profit entity.

The Fund has twelve divisions. Eleven divisions provide predominantly defined benefits and are closed to new members. Accumulate Plus and Retirement Access are issued by the Trustee as an interest under Division F of the Fund's Trust Deed. Accumulate Plus provides accumulation benefits and Retirement Access provides account-based pension benefits and transition to retirement benefits. Both are open to new members.

These financial statements cover the Fund as an individual entity. The financial statements of the Fund were authorised for issue by the directors of the Trustee on 22 September 2023. The directors of the Trustee have the power to amend and re-issue these financial statements.

#### (a) Entering into a Memorandum of Understanding with Australian Retirement Trust

On 21 February 2023, the Trustee of the Fund announced to its Members that it had entered into a Memorandum of Understanding ("MOU") to pursue a merger with Australian Retirement Trust ("ART"). The Heads of Agreement ("HoA"), in relation the potential merger, was executed on 27 June 2023.

Both the Fund and ART are currently undertaking due diligence to determine if the merger is in the best financial interest of members of both funds.

The proposed merger is expected to occur via a successor fund transfer ("SFT"), whereby existing Group Super Defined Benefit ("DB") and Defined Contribution ("DC") members would be transferred to ART. The DB arrangements for DB members will continue to apply in ART and the Commonwealth Bank of Australia will continue to fund the defined benefit liabilities. Should the SFT proceed, the associated assets and liabilities of the Fund would transfer to ART and the Fund would subsequently be wound up.

The financial report has been prepared on a going concern basis as the Trustee considers that the Fund will continue to be able to meet its debts as and when they fall due. However, there are material uncertainties that cast significant doubt on the Fund continuing as a going concern given the Trustee has entered into a MOU and HoA to merge with ART. As the Trustee is currently considering the future of the Fund, and although there is the potential that the Fund may be wound up within 12 months from the date of this report, the Trustee is of the opinion that the going concern basis continues to remain appropriate.

Should the SFT proceed, the table below sets out an estimate of the impact to the measurement of assets and liabilities of the Fund:

Financial statement line item	Description of impact
<b>Investments</b>	Investments fair value will be re-assessed at the date of the SFT using materially consistent methodology as used at 30 June 2023.
<b>Payables</b>	Expenses associated with the SFT, which includes project and wind up costs (such as legal and tax consultants, additional service provider fees, Trustee Services resourcing related to undertaking the SFT, and break fees), are estimated to be circa \$20m. Project expenses associated with the SFT for the financial year ended 30 June 2023 are estimated to be circa \$2.536 million.
<b>Tax liabilities</b>	It is estimated that there will be no material impact to tax liabilities between 30 June 2023 and the SFT date.



# COMMONWEALTH BANK GROUP SUPER

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

### 1. GENERAL INFORMATION (CONTINUED)

#### (b) Guaranteed benefits

The Fund's Trust Deed and Rules require that the Commonwealth Bank of Australia ("the Bank"), as Principal Employer of the Fund, contribute amounts to the Fund. The amounts payable are determined by the Bank, on the advice of the actuary, as the amounts necessary to fund pensions and other benefits payable under the Trust Deed.

On and from 19 July 1996, Clause 117(3) of the Commonwealth Banks Act 1959 provides that the Commonwealth of Australia guarantees the due payment of any amount that is payable to or from the Fund, by the Trustee or by the Bank, in respect of a person who was a member, retired member or beneficiary of the Fund immediately before 19 July 1996. Legislation has been passed to allow this guarantee to transfer in the event the Fund is transferred to another regulated superannuation fund via a successor fund transfer.

#### (c) Events after Balance Sheet Date

Notwithstanding the proposed merger between the Fund and Australian Retirement Trust (See Note 1 (a)), no significant events have occurred since the end of the reporting period, which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2023, or on the results of the Fund for the year ended on that date.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless covered in other notes to the financial statements, the principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the SIS Act and Regulations, and the provisions of the Trust Deed.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity, and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial investments, derivative liabilities, and net assets available for member benefits.

The financial statements are presented in Australian Dollars, and, except where otherwise stated, are prepared on the basis of fair value measurement of assets and liabilities.

Where necessary, comparative figures have been restated, reclassified and/or re-positioned for consistency with current year disclosures.

#### (b) Financial investments

##### (i) Classification

The Fund's investments and derivative liabilities are classified as at fair value through profit or loss.

##### (ii) Recognition/derecognition

Financial assets and financial liabilities are recognised on the date the Fund becomes party to the contractual agreement (trade date) and changes in the fair value of the financial assets or financial liabilities are recognised from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Financial investments (continued)**

(iii) Measurement

At initial recognition, the Fund measures a financial asset or liability at fair value. Transaction costs are expensed in the Income Statement.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses are presented in the Income Statement in the period in which they arise as net changes in fair value of investments.

For further details on how the fair values of financial instruments are determined, refer to Note 4.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the amounts, and there is an intention to settle on a net basis, or realise the asset and settle the liability at the same time.

**(c) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, and short term deposits held with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Pledged cash at bank represents cash held as collateral for derivative transactions. The cash is held by the clearer or counterparty and is only available to meet margin calls or the collateral requirements for unrealised derivative positions.

**(d) Revenue recognition**

Interest revenue from financial instruments that are held at fair value is determined based on the contractual coupon interest rate and includes interest from cash and cash equivalents.

Dividend and trust distribution income is recognised gross of withholding tax during the period in which the Fund's right to receive payment is established.

Property income comprises rental income from investment properties, and is accounted for on a straight-line basis over the lease term on an accruals basis. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as an integral part of total rental income, over the term of the lease.

Changes in the fair value of investments (including derivatives) are calculated as the differences between the fair value on sale, or at the reporting date, and the fair value at the previous valuation point. These are recognised on the Income Statement.

**(e) Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency (Australian dollars) using the exchange rates on the dates of the transactions. Foreign exchange gains and losses arise from the settlement of such transactions, and from the conversions at year end exchange rates of monetary items denominated in foreign currencies.

Non-monetary items measured at fair value in a foreign currency are translated into the functional currency (Australian dollars) using the exchange rates at balance sheet date (i.e. 30 June). Conversion differences on assets and liabilities carried at fair value are reported on the Income Statement on a net basis within net changes in fair value of investments.

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Receivables and payables**

Receivables are carried at the nominal amounts due, which approximate their fair value. Receivables are normally settled within 30 days. Collectability of trade receivables is reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Fund and are carried at the nominal amounts which approximate their fair value. They are normally settled within 30 day terms.

Investment debtors and creditors represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered at the reporting date. Trades are recorded on trade date. These amounts are recognised initially at fair value and subsequently measured at fair value.

**(g) Benefits outstanding**

Benefits outstanding are valued at the amounts due to members at the reporting date. This comprises pensions accrued at reporting date and lump sum benefits of members who are due a benefit but had not been paid at reporting date.

**(h) Contributions received and transfers from other funds**

Contributions received and transfers from other funds are recognised in the Statement of Changes in Member Benefits when the control of the contribution or transfer has transferred to the Fund. They are recognised gross of any taxes.

**(i) Income Tax**

Under the Income Tax Assessment Act 1997, the Fund is a complying superannuation fund. As such, a concessional tax rate of 15% is applied on net investment earnings, with deductions allowable for administrative and operational expenses. Financial assets held for less than 12 months are taxed at the Fund's rate of 15%. For financial assets held for more than 12 months, the Fund is entitled to a further discount on the tax rate, leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of these investments.

Current tax is the expected tax payable on the estimated taxable income for the current year, based on the applicable tax rate adjusted for instalment payments made to the ATO during the year, and by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# COMMONWEALTH BANK GROUP SUPER

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (j) Significant accounting judgements, estimates and assumptions

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments (for example, over-the-counter derivatives or unquoted securities), are valued using valuation techniques to determine their fair value. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel. Refer to Note 4 for details.

The Fund also makes estimates and assumptions in relation to the valuation of defined benefit member liabilities, details of which are set out in Note 13 (c).

The Fund has entered into commercial property lease arrangements on its directly held investment properties. It has been determined that since all the significant risks and rewards of ownership are retained, the leases have been classified as operating leases.

The Fund holds certain investments which are controlled by it. However, the Fund has determined that it is an investment entity under the definition in *AASB 10 Consolidated Financial Statements* as it meets the following criteria:

- the Fund has obtained funds on behalf of members for the purpose of providing them with investment management services;
- the Fund's business purpose, which it communicated directly to members, is investing solely for returns from capital appreciation and investment income; and
- the performance of investments made by the Fund are measured and evaluated on a fair value basis.

The Fund also meets all of the typical characteristics of an investment entity. As a consequence, the Fund does not consolidate these investments, but accounts for them at fair value through the Income Statement.

#### (k) New and amended standards adopted by the Fund

There are no new accounting standards, interpretations or amendments to existing standards that were effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior or current periods or that will affect future periods.

#### (l) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Fund. These standards are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

The Treasury Laws Amendment (2022 Measures No 4) Act 2023 was enacted during the year. This Act is effective on or after 1 July 2023 and brings registrable superannuation entities such as the Fund into the financial reporting provisions of the Corporations Act 2001. Accordingly, from the financial year ending 30 June 2024, the Fund will be required to prepare an annual report consisting of a financial report, a directors' report (including a remuneration report) with an auditor's report and an auditor's independence declaration attached.

#### (m) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

### 3. NET CHANGES IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	2023 \$'000	2022 \$'000
Equities - Listed	629,488	(460,188)
Fixed income securities - Government	45,752	(505,936)
Fixed income securities - Corporate	6,069	(23,309)
Unit trusts	207,681	35,273
Derivatives	(133,327)	(190,276)
Equities - Unlisted	(7)	(14,175)
Property	(63,426)	54,825
Changes due to currency fluctuations	7,765	2,325
<b>Total</b>	<b>699,995</b>	<b>(1,101,461)</b>

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

**4. FAIR VALUE MEASUREMENT**

**(a) Fair value hierarchy**

The Fund measures and recognises financial assets and liabilities at fair value on a recurring basis. The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**(i) Fair value in an active market (Level 1)**

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period, without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets and liabilities held by the Fund is the last traded price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

**(ii) Fair value using valuation techniques with observable inputs (Level 2)**

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models, or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Fixed interest securities are valued at the mean of representative quoted bid and ask prices for the securities, or if such prices are not available, at prices for securities of comparable maturity, quality and type.

Investments in unlisted unit trusts are recorded at net asset value per unit, as reported by the investment managers of such funds.

The fair value of derivatives that are not exchange traded is estimated as the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period, taking into account current market conditions (volatility and appropriate yield curve), and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as the net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

**(iii) Fair value using valuation techniques with significant unobservable inputs (Level 3)**

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. These include certain unlisted unit trusts, fixed income securities, unlisted equities and property.

Unlisted equities are valued by independent third parties on either a quarterly or semi-annual basis. The adopted valuation for these investments represents the mid-point of the valuations, determined using the discounted cash flow methodology. Under the discounted cash flow methodology, a discount rate is used to present projected future cash flows in present value terms.

The Trustee generally values units in fixed income securities and unit trusts classified as Level 3 instruments using the implied unit price provided by the underlying investment manager unless there is a specific verifiable reason to vary from the unit price provided. The Level 3 unit trusts held by the Fund hold direct property assets. As the underlying Fund's interest in these investments are not actively traded in a public market, the valuation provided by the external investment manager is considered unobservable and is therefore classified as a Level 3 investment.

The fair value of direct property is determined primarily by reference to independent valuations undertaken by registered valuers, at intervals of not more than one year. Fair value is equal to the most recent independent valuation, adjusted for capital works in progress. Each property valuation typically utilises the discounted cash flow, capitalisation of net income, direct comparison, and residual value methodologies. These are based on unobservable inputs in relation to appropriate discount rates, the rate at which income is capitalised (capitalisation rate), the anticipated value of the property at the end of the holding period (terminal yield), expected vacancy periods, and rental growth rates.

## COMMONWEALTH BANK GROUP SUPER

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

## 4. FAIR VALUE MEASUREMENT (CONTINUED)

## (a) Fair value hierarchy (continued)

The Trustee has a valuation policy and oversees the valuation policy applied by the master custodian and the appointed investment manager for unlisted assets, and makes further enquiries, as appropriate, relating to valuation methodology and/or key inputs used to determine asset valuations. Valuation policies of the appointed investment managers are regularly reviewed by management for appropriateness and consistency with the Trustee's valuation policy.

The table below sets out the level of the fair value hierarchy within which the fair value measurements of the Fund are categorised:

30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
<b>Cash and cash equivalents</b>	398,129	-	-	398,129
<b>Receivables</b>	90,906	-	-	90,906
<b>Investments</b>				
Equities - Listed	4,803,117	-	365	4,803,482
Fixed income securities - Government	-	2,687,083	-	2,687,083
Fixed income securities - Corporate	-	1,278,041	44,688	1,322,729
Unit trusts	383,258	1,482,894	700,924	2,567,076
Equities - Unlisted	-	198	3,923	4,121
Property	270,209	-	593,879	864,088
Pledged investments	-	1,126	-	1,126
<b>Derivatives</b>				
Futures	12,092	-	-	12,092
Options	8,029	10,550	-	18,579
Foreign exchange contracts	-	34,012	-	34,012
Swaps	-	109,307	-	109,307
Warrants	141	23,999	-	24,140
<b>Total financial assets</b>	<b>5,965,881</b>	<b>5,627,210</b>	<b>1,343,779</b>	<b>12,936,870</b>
<b>Financial liabilities</b>				
<b>Payables</b>	<b>(131,036)</b>	<b>-</b>	<b>-</b>	<b>(131,036)</b>
<b>Derivatives</b>				
Futures	(10,988)	-	-	(10,988)
Options	(4,495)	(2,118)	-	(6,613)
Foreign exchange contracts	-	(105,395)	-	(105,395)
Swaps	-	(86,721)	-	(86,721)
<b>Total financial liabilities</b>	<b>(146,519)</b>	<b>(194,234)</b>	<b>-</b>	<b>(340,753)</b>
	<b>5,819,362</b>	<b>5,432,976</b>	<b>1,343,779</b>	<b>12,596,117</b>

COMMONWEALTH BANK GROUP SUPER

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

4. FAIR VALUE MEASUREMENT (CONTINUED)

(a) Fair value hierarchy (continued)

30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
<b>Cash and cash equivalents</b>	558,822	-	-	558,822
<b>Receivables</b>	102,560	-	-	102,560
<b>Investments</b>				
Equities - Listed	4,098,630	-	1,817	4,100,447
Fixed income securities - Government	-	2,514,712	-	2,514,712
Fixed income securities - Corporate	-	973,289	-	973,289
Unit trusts	655,555	1,554,289	669,408	2,879,252
Equities - Unlisted	-	3,375	3,932	7,307
Property	290,134	-	627,241	917,375
Pledged investments	-	14,900	-	14,900
<b>Derivatives</b>				
Futures	38,447	-	-	38,447
Options	20,214	51,871	-	72,085
Foreign exchange contracts	-	75,334	-	75,334
Swaps	-	71,908	-	71,908
Warrants	126	43,215	-	43,341
<b>Total financial assets</b>	<b>5,764,488</b>	<b>5,302,893</b>	<b>1,302,398</b>	<b>12,369,779</b>
<b>Financial liabilities</b>				
<b>Payables</b>	(133,949)	-	-	(133,949)
<b>Derivatives</b>				
Futures	(32,423)	-	-	(32,423)
Options	(14,295)	(4,013)	-	(18,308)
Foreign exchange contracts	-	(231,218)	-	(231,218)
Swaps	-	(84,860)	-	(84,860)
<b>Total financial liabilities</b>	<b>(180,667)</b>	<b>(320,091)</b>	<b>-</b>	<b>(500,758)</b>
	<b>5,583,821</b>	<b>4,982,802</b>	<b>1,302,398</b>	<b>11,869,021</b>

(b) Transfers between Levels

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers of assets of value between levels for the Fund during the 30 June 2023 reporting period. (2022: \$1,863,000 transferred into Level 3)

COMMONWEALTH BANK GROUP SUPER

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

4. FAIR VALUE MEASUREMENT (CONTINUED)

(c) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the movement in the fair value of Level 3 instruments by class of financial instrument:

	Equities Listed \$'000	Equities Unlisted \$'000	Unit Trusts \$'000	Property \$'000	Fixed Income Securities \$'000	Total \$'000
<b>2023</b>						
Opening balance as at 1 July 2022	1,817	3,932	669,408	627,241	-	1,302,398
Transfers into or out of Level 3	-	-	-	-	-	-
Gains and losses recognised in profit or loss	139	(9)	76,515	(41,651)	(828)	34,166
Purchases	-	-	72,336	17,743	45,516	135,595
Sales	(1,591)	-	(117,335)	(9,454)	-	(128,380)
<b>Closing balance as at 30 June 2023</b>	<b>365</b>	<b>3,923</b>	<b>700,924</b>	<b>593,879</b>	<b>44,688</b>	<b>1,343,779</b>

	Equities Listed \$'000	Equities Unlisted \$'000	Unit Trusts \$'000	Property \$'000	Fixed Income Securities \$'000	Total \$'000
<b>2022</b>						
Opening balance as at 1 July 2021	-	3,886	645,135	744,106	-	1,393,127
Transfers into or out of Level 3	1,817	46	-	-	-	1,863
Gains and losses recognised in profit or loss	-	-	26,089	113,213	-	139,302
Purchases	-	-	-	1,628	-	1,628
Sales	-	-	(1,816)	(231,706)	-	(233,522)
<b>Closing balance as at 30 June 2022</b>	<b>1,817</b>	<b>3,932</b>	<b>669,408</b>	<b>627,241</b>	<b>-</b>	<b>1,302,398</b>



COMMONWEALTH BANK GROUP SUPER

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

4. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements. See 4 (a) (ii) for the valuation techniques adopted.

Description	Fair value at 30 June 2023 \$'000	Unobservable inputs	Range of unobservable inputs (midpoint)	Relationship of unobservable inputs to fair value and sensitivity analysis
Australian Infrastructure	497,116	Discount rate <sup>1</sup>	6.60%-10.05% (8.33%)	Higher/(lower) discount rate (+/-50 basis points (bps)) would (decrease) fair value by \$31.144 million/increase fair value by \$30.975 million.
Global Infrastructure	248,496	Discount rate <sup>1</sup>	8.52%-11.00% (9.76%)	Higher/(lower) discount rate (+/-50 basis points (bps)) would (decrease) fair value by \$16.189 million/increase fair value by \$16.195 million.
Property directly held	235,500	Discount rate <sup>1</sup>	7.25%	Increased/(decreased) discount rate (+/-25 basis points (bps)) would (decrease) fair value by \$4.262 million/increase fair value by \$4.363 million.
		Terminal yield	6.75%	Increased/(decreased) terminal yield (+/-25 basis points (bps)) would (decrease) fair value by \$4.829 million/increase fair value by \$5.201 million.
		Capitalisation rate	6.5%	Increased/(decreased) capitalisation rate (+/-50 basis points (bps)) would (decrease) fair value by \$18.750 million/increase fair value by \$18.750 million.
Unlisted Property Unit Trust	358,379	Unit price	Diverse <sup>2</sup>	Higher/(lower) unit price (+/-10%) would increase/(decrease) fair value by \$35.838 million.

<sup>1</sup> Under the discounted cash flow methodology, the discount rate is used to present projected future cash flows in present value terms. All discount rates, with the exception of the freeway, are determined using the Capital Asset Pricing Methodology (CAPM), which is a widely accepted approach by valuation practitioners.

<sup>2</sup> The range of inputs related to the unit price is not disclosed as the number of the unlisted investments results in a wide range of unrelated inputs.

COMMONWEALTH BANK GROUP SUPER

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

4. FAIR VALUE MEASUREMENT (CONTINUED)

(d) Valuation inputs and relationships to fair value (continued)

Description	Fair value at 30 June 2022 \$'000	Unobservable inputs	Range of unobservable inputs (midpoint)	Relationship of unobservable inputs to fair value and sensitivity analysis
Australian Infrastructure	435,840	Discount rate <sup>1</sup>	7.5%-10.75% (9.13%)	Higher/(lower) discount rate (+/-50 basis points (bps)) would decrease/(increase) the fair value by \$27.105 million.
Global Infrastructure	233,568	Discount rate <sup>1</sup>	8.44%-11.00% (9.72%)	Higher/(lower) discount rate (+/-50 basis points (bps)) would decrease/(increase) the fair value by \$16.305 million.
Property directly held	258,000	Discount rate <sup>1</sup>	7%	Increased/(decreased) discount rate (+/-25 basis points (bps)) would (decrease) fair value by \$4.744 million/increase fair value by \$4.859 million.
		Terminal yield	6.25%	Increased/(decreased) terminal yield (+/-25 basis points (bps)) would (decrease) fair value by \$6.213 million/increase fair value by \$6.732 million.
		Capitalisation rate	6%	Increased/(decreased) capitalisation rate (+/-50 basis points (bps)) would (decrease) fair value by \$20.250 million/increase fair value by \$24.250 million.
Unlisted Property Unit Trust	369,241	Unit price	Diverse <sup>2</sup>	Higher/(lower) unit price (+/-10%) would increase/(decrease) fair value by \$36.924 million.

<sup>1</sup> Under the discounted cash flow methodology, the discount rate is used to present projected future cash flows in present value terms. All discount rates, with the exception of the freeway, are determined using the Capital Asset Pricing Methodology (CAPM), which is a widely accepted approach by valuation practitioners.

<sup>2</sup> The range of inputs related to the unit price is not disclosed as the number of the unlisted investments results in a wide range of unrelated inputs.

(e) Valuation Processes

Portfolio reviews are undertaken regularly by the Fund's master custodian to identify securities that may not be actively traded or have stale security pricing. This process identifies securities which could be regarded as being Level 3 securities. Further analysis, if required, is undertaken to determine the accounting significance of the identification. In the event that the security is not actively traded, and there are no or few other broker quotes to substantiate the quoted market price, an assessment is performed to determine the appropriate valuation to use that is most representative of fair value.

For Level 3 valuations, the relevant investment managers have defined valuation policies in place and the valuation process is regularly reviewed by the Trustee.

As at the reporting date, the Fund did not hold any financial instruments which were not measured at fair value on the Statement of Financial Position.

**COMMONWEALTH BANK GROUP SUPER**

**NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**5. FUNDING ARRANGEMENTS**

The Fund's Trust Deed and Rules require that the Bank, as Principal Employer of the Fund, contribute amounts to the Fund. The amounts payable are determined by the Bank, on the advice of the actuary, as the amounts necessary to fund pensions and other benefits payable under the Trust Deed.

An actuarial investigation of the Fund as at 30 June 2021 was completed in December 2021. To ensure the Fund remains in an appropriate financial position, the Bank contributes to the Fund in line with the Fund Actuary's advice contained in the actuarial investigation report.

On 21 February 2023, the Trustee of the Fund announced to its Members that it had entered into a MOU to pursue a merger with Australian Retirement Trust (see Note 1(a)). If the SFT proceeds, existing Fund members will be transferred to Australian Retirement Trust. The Fund's defined benefit members would be placed in a special GroupSuper division or Plan of Australian Retirement Trust.

If the SFT does not proceed, the next actuarial investigation is due with an effective date of 30 June 2024, with the report expected to be completed by 31 December 2024.

**6. OTHER OPERATING EXPENSES**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Auditor's remuneration	993	836
Advertising and sponsorship	64	86
Consultants fees	820	662
Project costs	3,216	5,721
Regulator fees	1,461	1,491
Other administration expenses	3,063	1,951
	<hr/>	<hr/>
	<b>9,617</b>	<b>10,747</b>
	<hr/>	<hr/>

**7. INCOME TAX**

This note provides an analysis of the Fund's income tax expense and how the tax expense is affected by non-assessable and non-deductible items.

**(a) Income tax expense**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Income Statement</b>		
<b>Current income tax</b>		
Current income tax expense	10,758	24,678
Adjustments for current tax of prior periods	4,477	(1,438)
<b>Deferred income tax</b>		
Increase/(decrease) in deferred tax liabilities	51,356	(175,970)
	<hr/>	<hr/>
<b>Income tax expense</b>	<b>66,591</b>	<b>(152,730)</b>
	<hr/>	<hr/>

**(b) Numerical reconciliation of income tax expense to prima facie tax payable**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Operating result before income tax	971,284	(830,838)
Tax at the rate of 15%	145,694	(124,626)
Adjustments for current tax of prior periods	4,477	(1,438)
Net imputation and foreign tax credits	(20,237)	(34,963)
Discount on capital gains	(34,835)	19,032
Insurance premium deductions	(6,609)	(5,708)
Exempt pension income	(9,645)	(16,150)
Adjustment for deferred tax of prior period	(39,437)	-
Other assessable/(non-assessable) income	27,183	11,123
	<hr/>	<hr/>
<b>Income tax expense</b>	<b>66,591</b>	<b>(152,730)</b>
	<hr/>	<hr/>

In addition to the above, \$79.122 million (2022: \$62.095 million) is recognised in the Statement of Changes in Member Benefits relating to tax on contributions deducted from member accounts.

COMMONWEALTH BANK GROUP SUPER

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

7. INCOME TAX (CONTINUED)

(c) Deferred tax balances

The balance comprises temporary differences attributable to:

	2023 \$'000	2022 \$'000
Receivables/(payables)	(1,872)	(1,652)
Unrealised gains/(losses) in investments	90,668	39,092
Property depreciation and building allowance	-	-
<b>Deferred tax (assets)/liabilities</b>	<b>88,796</b>	<b>37,440</b>

8. PROPERTY

The purpose of the Fund's property investments is to derive rental income and capital growth. The fair value of property investments, under Level 1 and 3, by sector, at the reporting date were:

	2023 \$'000	2022 \$'000
<b>Property</b>		
Direct Property	235,500	258,000
Indirect Property	628,588	659,375
<b>Total</b>	<b>864,088</b>	<b>917,375</b>

Reconciliation of the fair value of Direct Property investments:

Opening balance as at 1 July	258,000	392,009
Additions by acquisition	-	-
Additions by capital expenditure	(808)	1,628
Disposals	-	(161,309)
Net changes in fair value	(21,692)	25,672
<b>Closing balance as at 30 June</b>	<b>235,500</b>	<b>258,000</b>

# COMMONWEALTH BANK GROUP SUPER

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

### 9. RELATED PARTIES

#### (a) Trustee and key management personnel

The Trustee of the Fund is Commonwealth Bank Officers Superannuation Corporation Pty Limited ("CBOSC"). All the issued shares in CBOSC are held by the Bank. The Board of Directors of CBOSC is made up of nine non-executive directors, three of whom are Independent Directors, with the remaining comprised of an equal number of representatives of the Bank and members of the Fund. The names of the people who held the position of director at any time during the year are:

Rosemary Vilgan (Chairperson)	Independent Director
Susan Allen	Independent Director
Ian Ward-Ambler	Independent Director
Cara Botha	Employer Director
Janet Linklater	Employer Director
Christopher Williams	Employer Director
Stephen Douglas Halmarick	Member Director
Magda West	Member Director
Jessica Pramana	Member Director

In addition to the non-executive directors listed above, the following are also considered to be key management personnel:

Daniel Nott	Non-director Committee member (Ceased 24 March 2023)
Scott Durbin	Chief Executive Officer, Commonwealth Bank Group Super
Ruwanie Dias	Chief Investment Officer, Commonwealth Bank Group Super
James Stanley	Executive Manager Member Services, Commonwealth Bank Group Super
Briony Zetlitz-Larsen	Executive Manager Finance & Risk Management, Commonwealth Bank Group Super

Rule A8.2 of the Trust Deed and Rules provides that:

All costs and expenses of, and incidental to, the operation, management, administration and investment of the Fund must, to the extent that full liability therefore is not assumed by the Principal Employer, be paid from the Fund.

CBOSC's sole role is to act as trustee of the Fund. Accordingly, any expenses incurred during the year by CBOSC have been met by the Fund in terms of the rule outlined above.

#### Directors' interests in the fund

Certain directors are members of the Fund. Their membership terms and conditions are the same as those available to other members of the Fund.

#### Compensation of key management personnel

Rule A21.1 of the Trust Deed and Rules provides that:

Except as otherwise agreed between the Trustee and the Principal Employer (Commonwealth Bank of Australia), a director (including any alternate director) of the Trustee is not entitled to remuneration from the Fund for acting in that capacity, but the Trustee may pay from the Fund all reasonable expenses properly incurred by a director (including any alternate director) in the exercise of that person's Powers as a director (or alternate director). Those expenses must be paid by the Principal Employer where the Fund is insufficient.

**COMMONWEALTH BANK GROUP SUPER**

**NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**9. RELATED PARTIES (CONTINUED)**

**(a) Trustee and key management personnel (continued)**

**Compensation of key management personnel (continued)**

During the year, the following key management personnel have received remuneration from the Fund or the Principal Employer (Commonwealth Bank of Australia), in relation to work performed for the Trustee as a Registrable Superannuation Entity:

S Allen	Independent Director
R Vilgan	Independent Director
I Ward-Ambler	Independent Director
J Linklater	Employer Director (appointed, but not employed by the Bank)
R Dias	Chief Investment Officer, Commonwealth Bank Group Super
S Durbin	Chief Executive Officer, Commonwealth Bank Group Super
B Zetlitz-Larsen	Executive Manager Finance & Risk Management, Commonwealth Bank Group Super
J Stanley	Executive Manager Member Services, Commonwealth Bank Group Super

During the year, the following compensation was paid by the Principal Employer or the Fund to key management personnel for services in connection with the management of the Fund:

	2023	2022
	\$	\$
Short-term benefits (salaries, director fees)	<b>2,055,154</b>	1,617,149
Post-employment benefits (superannuation)	<b>127,274</b>	113,711
Other long-term benefits	<b>46,262</b>	34,378
Share-based payments	<b>107,930</b>	206,019
<b>Total compensation</b>	<b><u>2,336,620</u></b>	<b><u>1,971,257</u></b>

Remuneration has not been paid to or disclosed for any other key management personnel by the Trustee, Fund, the Bank, or for any other related entities in relation to work performed for the Trustee as a Registrable Superannuation Entity.

**Protection and indemnification of CBOSC**

Rule A5.1 of the Trust Deed and Rules provides that:

The Trustee and each director of the Trustee is exempted from liability, and is to be indemnified out of the Fund, in respect of any cost, loss, damage, claim or liability caused or incurred in any manner (including without limitation negligence), in connection with the Powers of the Trustee or a director, as the case may be, to the maximum extent (but only to the maximum extent) permissible under the Relevant Law and, without limiting the preceding words, the Trustee may:

- (a) effect insurance in respect of a potential cost or liability of the Trustee or a director, including without limitation a liability under an indemnity granted by the Trustee to such director; and
- (b) pay from the Fund premiums and other outgoings in respect of insurance effected by the Trustee or a director of the Trustee in respect of a potential cost or liability of the Trustee or that director.

To the extent that the assets of the Fund are insufficient to indemnify the directors of the Trustee under this Rule A5.1, the directors must be indemnified by the Principal Employer. For the purposes of Rule A5.1, "director" includes an alternate director.

**COMMONWEALTH BANK GROUP SUPER**

**NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**9. RELATED PARTIES (CONTINUED)**

**(b) Related party transactions**

As the principal employer sponsor of the Fund, the Bank has certain powers in relation to the operation of the Fund provided to it under the Fund's Trust Deed and Rules. The main power being that the Principal Employer may from time to time, amend, add to, revoke or replace all or any of the provisions of the Fund's Trust Deed as the Principal Employer sees fit. The exercise of this provision is subject to restrictions under relevant legislation (primarily the SIS Act). The SIS Act imposes conditions concerning the amendment of the governing rules of superannuation schemes, which must be observed when making amendments. In addition, certain prescribed amendments may only be made with the consent of the Trustee. The SIS Act also prevents the making of a Rule change that would have the effect of reducing benefits accrued or payable to members.

The Bank provides services to the Trustee to assist it to carry out the operation, management, administration and investment functions of the Fund under material outsourcing arrangements. Agreements entered into between the Trustee and the Bank and/or related entities providing services are in writing, and are subject to terms and conditions negotiated at arm's length.

When entering into material outsourcing arrangements with related parties, the Trustee ensures that related party service providers are subject to the same rigour and conditions as those imposed on outsourcing arrangements with external service providers.

The Bank and Associated Employers are required to make contributions to the Fund and to fund member benefits in accordance with Part A9 of the Fund's Rules (refer to Note 5 for further information).

Related Entities are appointed to provide administration services. The Fund pays fees for the services provided. The Trustee appoints Investment Managers to manage the Fund's investment or invests in unit trusts and we receive investment income from related entities (ie the Bank).

Investments in and transactions with those related entities were:

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Investments:		
Fair value of cash and investments	<b>400,589</b>	410,928
Notional principal amount of derivatives held with related counterparties	<b>794,701</b>	289,711
Fair value amount of derivatives held with related counterparties	<b>(24,640)</b>	3,836
Income, (expenses) and other transactions:		
Investment income received	<b>10,489</b>	18,337
Net changes in fair value of investments	<b>10</b>	-
Property income received	<b>317</b>	461
Insurance benefits received	-	-
Insurance premiums expense	-	-
Investment management and investment administration expense	-	(2,158)
Member administration fees expense	<b>(8,122)</b>	(5,645)
Legal fees, project expenses and other charges	<b>(1,387)</b>	(4,862)
Paid on behalf of related parties	-	-

**COMMONWEALTH BANK GROUP SUPER**

**NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**9. RELATED PARTIES (CONTINUED)**

**(c) Terms and conditions of transactions with related parties**

Outstanding balances at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party payables or receivables.

**(d) Interests in associates and controlled entities**

The Fund holds multiple investments of which it has significant influence or control. As a result, these investments are classified as associates or controlled entities respectively.

The nature of the activities of the associates and controlled entities is to invest in direct infrastructure assets within Australia and overseas. The purpose of these investments is to generate capital appreciation and/or investment income for the Fund.

The Fund's maximum exposure to loss from its interests in associates and controlled entities is equal to their fair value plus any capital commitments.

The table below lists details of the Fund's interests in associates and controlled entities held during the year:

Name of entity	Place of business	Ownership interest		Fair value		Investment income	
		2023 %	2022 %	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Rowville Transmission Facility Pty Ltd	Australia	45	45	9,630	9,043	558	511
Nest Cooperatief U.A.	Netherlands	50	50	66,394	56,729	-	-
- Vopak Terminal Eemshaven BV	Netherlands	45	45				
- Helios Eemshaven B.V.	Netherlands	36	36				
OSF Southern Way Unit Trust*	Australia	100	100	72,495	77,152	13,038	1,804
- Southern Way Holdings Trust	Australia	31.3	31.3				
- Southern Way Holdings Pty Ltd	Australia	31.3	31.3				
Sustainable Energy Infrastructure Holdings Trust*	Australia	50	50	95,325	69,003	4,500	-
Saren Infrastructure AS	Norway	23.9	-	50,601	-	-	-
Amarok Holding AS	Norway	-	75	-	101,835	-	-
- Nanook Invest AS	Norway	-	75				
- Kvitebjørn Varme AS	Norway	-	36.8				

\* The Fund also controlled the entity which acted as the trustee of this Trust which had a carrying value of \$60 or less (2022: \$2 or less).

Kvitebjørn Varme AS is bound by covenant restrictions in the form of interest coverage and leverage ratios before it can distribute cash to the Fund.

There were no outstanding capital commitments in respect of the associates and controlled entities above (2022: \$0).



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10. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Investments

The following expenditure commitments had been contracted for as at the reporting date but are not recognised as liabilities in the accounts.

	2023 \$'000	2022 \$'000
Period to expected date of settlement:		
Within 12 months	46,400	16,340
After 12 months and before 5 years	-	15,262
After 5 years	-	-
<b>Total</b>	<b>46,400</b>	<b>31,602</b>

(b) Contingent liabilities

The Trustee is not engaged in any litigation or claim which is likely to have a materially adverse effect on the Fund's financial position.

11. INSURANCE

The Fund provides death and disability benefits to its members. These benefits are generally greater than the members' vested benefits.

**Defined benefit members**

The death and permanent disability benefits for defined benefit members are self-insured, as part of the overall funding of defined benefits. Salary continuance insurance is provided for defined benefit members of Division CO (Part A) under an insurance policy with AIA Australia ("AIA").

**Defined contribution members**

The death and disability benefits for the members of Division F are covered by an insurance policy with AIA. Salary continuance insurance is provided to members of Division F on a voluntary take up basis. The benefits of this insurance is covered under an insurance policy with AIA.

**Other insurance**

The Trustee purchases catastrophe insurance cover, from an external insurer, to reduce the risk of the financial position of the Fund being materially affected should a catastrophic event occur that affects certain members in a defined benefit division.

**Payment of premiums**

Refer to the Statement of Changes in Member Benefits for the premiums charged to member accounts and paid to the insurer as well as the benefits received from the insurer during the periods.

12. REMUNERATION OF AUDITOR

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia ("PwC") as the auditor of the Fund and by PwC's related network firms:

	2023 \$'000	2022 \$'000
<b>Auditors of the Fund - PwC and related network firms</b>		
<b>Audit of the financial report of the Fund</b>	<b>490</b>	<b>363</b>
<b>Other assurance services</b>		
Audit of compliance and other regulatory returns	73	75
Additional assurance for transition	-	125
<b>Other services</b>		
Tax compliance services	90	70
Other tax services	260	-
Other assurance services	80	203
<b>Total remuneration for other services</b>	<b>430</b>	<b>273</b>
	<b>993</b>	<b>836</b>

**NOTES TO THE FINANCIAL REPORT  
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**13. MEMBER LIABILITIES****(a) Recognition and measurement of member liabilities**

The entitlements of members to benefit payments are recognised as liabilities. They are measured as the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members or their beneficiaries in the future as a result of their membership, up to the end of the reporting period.

**(i) Defined contribution member liabilities**

Defined contribution member account balances (liabilities) in Division F are measured using unit prices based on the value of the underlying investment option(s) selected by members. For accumulation accounts of defined benefit members that are not held in Division F, a crediting rate is applied to determine the account balance.

**(ii) Defined benefit member liabilities**

Defined benefit member liabilities are measured as the estimated present value at the reporting date to meet accrued member benefits on the date they are expected to fall due.

**(b) Defined contribution member liabilities**

Defined contribution members bear the investment risk relating to the underlying investment options. For members in Division F, unit prices are used to measure defined contribution member liabilities and these are updated each business day for movements in investment values. For accumulation accounts of defined benefit members which are not held in Division F, a crediting rate is set from time to time based on the applicable policy for the member's division. Refer to Note 15 for the Fund's management of the investment risks.

**(c) Defined benefit member liabilities**

Measurement of defined benefits member liabilities are undertaken by a qualified actuary appointed by the Trustee (the Fund Actuary). The valuation of defined benefit member liabilities reflects the actuarial assessment of accrued benefits as at the reporting date, and payable to members on retirement, resignation, death or disability.

The Fund manages its obligation to pay defined benefit member liabilities on an expected maturity basis, which is based on estimates of when such funds will be drawn down by members.

The key assumptions used to determine the value of accrued benefits for the Fund as at 30 June 2023 are set out below and have been determined by the Fund Actuary.

At 30 June 2023 the defined benefit vested benefit liabilities were \$2,631 million (2022: \$2,649 million).

Vested benefits represent the total amount the Fund would be required to pay if all members were to voluntarily leave service on the valuation date. An allowance is made for pension liabilities. The change in assumptions from 30 June 2022 to 30 June 2023 resulted in a decrease in the defined benefit member liabilities of approximately \$126 million (2022: decrease of \$473 million).

**(i) Discount rate**

The assumed discount rate has been determined by reference to the investment returns expected of the defined benefit assets which are based on the Fund Actuary's actuarial model and the Fund's asset allocation. In order to reduce the mismatch between defined benefit assets and liabilities, the Trustee separately manages growth and defensive portfolios, with the pension liabilities substantially covered by the defensive portfolio. As a result of this investment approach, the Fund Actuary believes it is appropriate to use the long term expected investment returns on the growth assets to value the liabilities of members in the pre-retirement phase, and the long-term expected investment return on the assets of the partially matched portfolio to value the pensioner liabilities. A combination of the two rates is used for active members in respect of benefits expected to be paid to them in post-retirement in the form of a pension.

The discount rates used to determine the value of accrued benefits are set out below.

<b>Assumption</b>	<b>Applies to</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
Discount rate (after tax)	Active members (pre-retirement)	8.0%	6.6%
Discount rate (before tax)	Active members (post-retirement)	5.7%	4.9%
Discount rate (before tax)	Pensioners (active)	4.6%	4.1%

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NOTES TO THE FINANCIAL REPORT  
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13. MEMBER LIABILITIES (CONTINUED)

(c) Defined benefit member liabilities (continued)

(ii) Salary increases

The Fund Actuary's salary increase assumption is the best estimate rate of general inflationary increases, plus a combined productivity and promotional salary increase assumption. The assumed combined productivity and promotional salary increase is 0.8% p.a. for FY23 across all ages (0.8% p.a. in 2022).

The salary increase assumptions used to determine the value of accrued benefits are set out below.

Assumption	Applies to	30 June 2023	30 June 2022
Salary increases (incl. promotional scale)	Active members (pre-retirement)	3.3%	3.1%

(iii) Pension increases

This is the best estimate rate of inflationary pension increases, developed with reference to the market implied price inflation over a duration matching that of the Fund's defined benefit liabilities.

The pension increase rates used to determine the value of accrued benefits are set out below.

Assumption	30 June 2023	30 June 2022
CPI indexation	2.5%	2.3%

(iv) Pensioner mortality rates

Assumed pensioner mortality rates were developed as part of the actuarial investigation as at 30 June 2021 and uses a variable proportion of the Australian Life Tables 2015-17 (ALT 2015-17) issued by the Australian Government Actuary for both male and female pensioners. The table is 50% of ALT 2015-17, with this scaling increasing by 1.5% per annum from age 65 for both males and females (subject to a maximum of 100% of ALT 2015-17). (In 2022 the Australian Life Tables 2015-17 were used, with the same rates of scaling applied).

In addition, an allowance for mortality improvement has been made as follows: a 2.0% p.a. reduction to these rates for each year from 30 June 2016, with these improvements reducing by 0.05% p.a. for each year over age 65 (no change from 2022).

**Sensitivity**

The Trustee uses sensitivity analysis to monitor the potential impact of changes to key variables about which assumptions need to be made. The following are sensitivity calculations for the key assumptions for which reasonably possible changes would be expected to have a material effect on the Fund:

Key assumption	Reasonable Possible Change	Increase/(decrease) in member liabilities (\$'000)	
		30 June 2023	30 June 2022
Discount rate	+0.5%	(128,875)	(139,622)
	-0.5%	144,340	155,275
Salary increases	+0.5%	7,732	11,798
	-0.5%	(7,732)	(10,395)
Pension increases	+0.5%	123,720	132,133
	-0.5%	(115,987)	(121,170)
Pensioner mortality rates	+ 1 year longevity	108,255	107,645

As at 30 June 2023, 100% of defined benefit member liabilities have vested (2022: 100%).

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**NOTES TO THE FINANCIAL REPORT  
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**13. MEMBER LIABILITIES (CONTINUED)**

**(d) Unallocated surplus/(deficiency)**

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Commonwealth Bank Group Super	<b>438,072</b>	240,096

As at 30 June 2023, the Fund remains in surplus. The Principal Employer continues to contribute to the Fund on a monthly basis, in line with the Fund Actuary's recommendation, following the last full actuarial investigation conducted as at 30 June 2021. Some contributions to member accounts are funded through the Fund's surplus account, which based on current actuarial assessment, will result in a gradual reduction of the surplus. This is subject to review as part of each actuarial investigation. The next actuarial investigation is due with an effective date of 30 June 2024, with the report expected to be finalised by 31 December 2024.

**14. STATEMENT OF CASH FLOW RECONCILIATION**

Cash and cash equivalents as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
Cash at bank	<b>234,174</b>	214,245
Short term deposits	<b>82,000</b>	116,000
Pledged cash at bank <sup>1</sup>	<b>81,955</b>	228,577
	<b><u>398,129</u></b>	<u>558,822</u>

<sup>1</sup> The Fund has pledged cash as collateral to cover unrealised exposures on certain derivatives. This cash is restricted for this purpose (refer to Note 15(c) for further information).

	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Reconciliation of net cash from operating activities to net operating result after income tax</b>		
Net operating result after income tax	<b>247,242</b>	(48,885)
Adjustments for:		
Net changes in fair value of financial instruments	<b>(699,995)</b>	1,101,461
Net benefits allocated to defined contribution members	<b>589,968</b>	(280,500)
Net change in defined benefit member benefits	<b>67,483</b>	(348,723)
Net change in current tax assets	<b>46,205</b>	(46,205)
Net change in current tax liabilities	<b>33,404</b>	(26,826)
Net change in contribution tax payable	<b>17,467</b>	(7,604)
Net change in deferred tax liabilities	<b>51,356</b>	(175,970)
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	<b>12,896</b>	(9,180)
Increase/(decrease) in payables	<b>(27,822)</b>	18,734
Death and disability proceeds received from insurer	<b>37,217</b>	19,975
Insurance premiums paid	<b>(44,053)</b>	(34,661)
<b>Net cash inflows/(outflows) from operating activities</b>	<b><u>331,368</u></b>	<u>161,616</u>

NOTES TO THE FINANCIAL REPORT  
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**15. FINANCIAL RISK MANAGEMENT**

The Fund's activities expose it to a variety of financial risks, including market risk (including price risk, currency risk, and interest rate risk), credit risk, and liquidity risk.

The Fund has an Investment Governance Framework ("IGF") established by the Trustee. The IGF sets out the Trustee's policies and procedures for the selection, management and monitoring of investments for the Fund. Appropriate governance arrangements are in place for the management team to discharge the Trustee's obligations as referenced in the IGF. For each member investment option offered by the Fund, the Trustee seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Risks are managed in accordance with the IGF and the Fund's Risk Management Framework.

**(a) Market risk**

(i) Price risk

Market price risk represents the risk that the values of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual instruments or their issuers, or factors affecting all instruments in the market.

Market risk is primarily managed through diversification across and within asset classes. The Trustee has appointed specialist investment managers within each asset class. There are controls in place to ensure that all investment activities are undertaken in accordance with agreed investment strategies.

Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Note 15 (a) (ii) sets out how this component of price risk is measured and managed. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The table in Note 15 (b) summarises the impact of an increase/decrease in market prices on the Fund's net assets as at 30 June 2023. The analysis is based on the assumption that the relevant index increased/decreased by the percentages specified with all other variables held constant and that the fair value of the relevant asset classes moved according to the historical correlation with the index.

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NOTES TO THE FINANCIAL REPORT  
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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Foreign exchange risk

The Fund holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. However, the Trustee actively monitors the overall exposure of all foreign currency denominated assets and liabilities.

The Fund has exposure to overseas investments. All listed and direct overseas investments, other than the international equities portfolio and multi asset portfolio, are managed against a (100%) currency-hedged benchmark. The Trustee engages a specialist currency manager to monitor and manage the foreign currency exposure of the Trustee's international equities portfolio in accordance with the Trustee's hedging policy to passively hedge 25% of the international equities developed market currency exposure, leaving the emerging market currency exposure unhedged. The specialist currency manager also manages the foreign currency exposure of the Fund's real asset and alternatives portfolios. The currency hedging for the multi asset portfolio is at the discretion of the outsourced investment manager of the portfolio.

The table below summarises the Fund's financial assets and liabilities which are denominated in foreign currencies:

2023	USA A\$'000	UK A\$'000	Japan A\$'000	Europe* A\$'000	Hong Kong A\$'000	Norway A\$'000	Other A\$'000	Total A\$'000
Cash and cash equivalents	24,172	14,821	6,590	9,049	3,864	139	(646)	57,989
Due from brokers - receivable for securities sold	12,824	2,021	168	1,574	-	-	16	16,603
Receivables	5,541	2,181	287	6,041	1,105	83	2,038	17,276
Investments	3,486,204	489,618	367,302	816,705	138,562	199,774	482,017	5,980,182
Derivative assets	88,347	11,461	16,051	12,773	159	9,766	13,573	152,130
Due to brokers - payable for securities purchased	(66,009)	(508)	(1,290)	(2,761)	-	-	(640)	(71,208)
Payables	-	-	-	(10)	-	-	-	(10)
Derivative liabilities	(133,879)	(21,242)	(3,934)	(6,946)	(92)	(46)	(15,256)	(181,395)
	<b>3,417,200</b>	<b>498,352</b>	<b>385,174</b>	<b>836,425</b>	<b>143,598</b>	<b>209,716</b>	<b>481,102</b>	<b>5,971,567</b>
Net increase/(decrease) in exposure from foreign exchange contracts	(2,159,222)	(343,890)	(212,216)	(389,309)	(21,624)	(181,040)	(124,844)	(3,432,145)
<b>Foreign currency risk exposure</b>	<b>1,257,978</b>	<b>154,462</b>	<b>172,958</b>	<b>447,116</b>	<b>121,974</b>	<b>28,676</b>	<b>356,258</b>	<b>2,539,422</b>

\* Denotes jurisdictions which use the Euro currency

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NOTES TO THE FINANCIAL REPORT  
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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

2022	USA A\$'000	UK A\$'000	Japan A\$'000	Europe* A\$'000	Hong Kong A\$'000	Norway A\$'000	Other A\$'000	Total A\$'000
Cash and cash equivalents	56,208	77,144	4,469	(3,735)	5,972	95	9,370	149,523
Due from brokers - receivable for securities sold	33,360	1,093	1,734	4,309	1,862	-	10	42,368
Receivables	5,861	2,376	505	3,065	972	28	1,546	14,353
Investments	3,393,343	579,233	236,337	778,140	150,234	187,932	341,601	5,666,820
Derivative assets	118,780	17,421	18,497	38,110	4,678	17,199	8,220	222,905
Due to brokers - payable for securities purchased	(54,213)	(354)	(1,787)	(3,633)	(2,178)	(356)	(1,774)	(64,295)
Payables	(3,106)	-	(1)	(15)	-	-	(1)	(3,123)
Derivative liabilities	(265,784)	(11,746)	(4,509)	(18,978)	(2,753)	(392)	(14,177)	(318,339)
	<u>3,284,449</u>	<u>665,167</u>	<u>255,245</u>	<u>797,263</u>	<u>158,787</u>	<u>204,506</u>	<u>344,795</u>	<u>5,710,212</u>
Net increase/(decrease) in exposure from foreign exchange contracts from swap - cross country swaps	(2,030,501)	(576,514)	(140,770)	(471,989)	(30,549)	(169,108)	(123,107)	(3,542,538)
<b>Foreign currency risk exposure</b>	<u>1,253,948</u>	<u>88,653</u>	<u>114,475</u>	<u>325,274</u>	<u>128,238</u>	<u>35,398</u>	<u>221,688</u>	<u>2,167,674</u>

The table in Note 15 (b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar strengthened/weakened by 10% (10% in 2022) against each of the other currencies to which the Fund is exposed.

\* Denotes jurisdictions which use the Euro currency

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NOTES TO THE FINANCIAL REPORT  
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## 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

## (a) Market risk (continued)

## (iii) Interest rate risk

Interest rate risk represents the risk that the values of financial instruments will fluctuate because of changes in market interest rates. The Fund's exposure to such risk relates primarily to its fixed interest securities. The Fund's policy is to manage the risk by appointing skilled investment managers who have clear mandates to manage risk.

The table below summarises the Fund's exposure to interest rate risk:

	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>2023</b>				
<b>Assets</b>				
Cash and cash equivalents	398,129	-	-	398,129
Receivables	1,186	-	35,596	36,782
Due from brokers - receivable for securities sold	-	-	54,124	54,124
Investments	560,571	3,450,367	8,238,767	12,249,705
Derivative assets	57,124	47,225	93,781	198,130
<b>Liabilities</b>				
Payables	(26,077)	-	(2,763)	(28,840)
Due to brokers - payable for securities purchased	-	-	(102,196)	(102,196)
Derivative liabilities	(38,728)	(44,021)	(126,968)	(209,717)
	<b>952,205</b>	<b>3,453,571</b>	<b>8,190,341</b>	<b>12,596,117</b>
Net increase/(decrease) in exposure from interest rate futures (notional principal)	1,192,753	(1,192,753)	-	-
interest rate options (notional principal)	-	-	-	-
interest rate swaps (notional principal)	(3,416,846)	3,416,846	-	-
Net exposure	<b>(1,271,888)</b>	<b>5,677,664</b>	<b>8,190,341</b>	<b>12,596,117</b>
<b>2022</b>				
<b>Assets</b>				
Cash and cash equivalents	558,822	-	-	558,822
Receivables	1,007	-	30,687	31,694
Due from brokers - receivable for securities sold	-	-	70,866	70,866
Investments	905,296	2,597,606	7,904,380	11,407,282
Derivative assets	52,807	16,126	232,182	301,115
<b>Liabilities</b>				
Payables	(25,209)	-	(6,568)	(31,777)
Due to brokers - payable for securities purchased	-	-	(102,172)	(102,172)
Derivative liabilities	(15,831)	(53,306)	(297,672)	(366,809)
	<b>1,476,892</b>	<b>2,560,426</b>	<b>7,831,703</b>	<b>11,869,021</b>
Net increase/(decrease) in exposure from interest rate futures (notional principal)	1,174,136	(1,174,136)	-	-
interest rate options (notional principal)	-	-	-	-
interest rate swaps (notional principal)	(2,051,075)	2,051,075	-	-
Net exposure	<b>599,953</b>	<b>3,437,365</b>	<b>7,831,703</b>	<b>11,869,021</b>

The table in Note 15 (b) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates increased/decreased by 130 basis points (130 basis points in 2022) from the year end rates, with all other variables held constant.



COMMONWEALTH BANK GROUP SUPER

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets to interest rate risk, foreign exchange risk and other price risk. The reasonably possible movements in the risk variables have been determined based on the Trustee's best estimate and comprise of annualised numbers, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

2023	Impact on operating profit/Net assets of the Fund (after tax)			
	- %	\$'000	+ %	\$'000
<b>Price risk</b>				
Australian equities	-19.8	(446,942)	19.8	446,942
International equities (unhedged)	-17.3	(886,121)	17.3	886,121
International equities (hedged)	-17.2	(880,999)	17.2	880,999
Australian property	-12.4	(80,393)	12.4	80,393
International property	-15.9	(34,305)	15.9	34,305
<b>Foreign exchange risk</b>	-10	(2,106)	10	2,106
<b>Interest rate risk</b>	-1.3	246,550	1.3	(246,550)
2022	Impact on operating profit/Net assets of the Fund (after tax)			
	- %	\$'000	+ %	\$'000
<b>Price risk</b>				
Australian equities	-20	(394,820)	20	394,820
International equities (unhedged)	-17	(842,497)	17	842,497
International equities (hedged)	-17	(852,467)	17	852,467
Australian property	-12	(78,432)	12	78,432
International property	-16	(45,518)	16	45,518
<b>Foreign exchange risk</b>	-10	(13,883)	10	13,883
<b>Interest rate risk</b>	-1.3	164,199	1.3	(164,199)

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**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Credit risk**

Credit risk represents the risk that the issuers of financial instruments will fail to discharge obligations and cause the Fund to incur financial losses. With respect to the financial assets of the Fund, other than derivatives, the Fund's maximum exposure to credit risk is equal to the fair value of the investments as reported in the Statement of Financial Position.

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contracts or arrangements. Derivatives may be traded on an exchange (exchange traded) or they may be privately negotiated contracts, which are referred to as Over The Counter (OTC) derivatives. The Fund's OTC derivatives are cleared and settled either through central clearing counterparties (OTC-cleared), or bilateral contracts between two counterparties.

Where possible the Fund uses exchange traded and OTC-cleared derivative contracts to manage/minimise the Fund's exposure to bilateral counterparty risk as the Fund's counterparty is a clearing house. The clearing house is responsible for managing the risk associated with the process on behalf of its members and ensuring it has adequate resources to fulfil its obligations when they become due. Members are required to provide initial margins in accordance with the exchange rules in the form of cash or securities, and provide daily variation margins in cash to cover changes in market values. Further, all members are generally required to contribute to (and guarantee) the compensation or reserve fund which may be used in the event of default and shortfall of a member.

For OTC derivatives that are settled through bilateral contracts, the Fund restricts its exposure to credit losses by entering into master netting arrangements with counterparties with whom it undertakes a significant volume of transactions. The credit risk associated with favourable contracts is reduced by master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on a net basis. The Fund's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangements. Refer to Note 16 for further analysis of the Fund's master netting arrangements.

There are additional risk management processes in place to manage credit risk relating to OTC derivatives. Examples of these processes include minimum credit ratings for counterparties, and diversification of exposure across a number of counterparties.

The Fund has entered into a credit support agreement with various counterparties which allow the Fund to pledge cash and securities as collateral to cover unrealised exposures on certain derivatives. Under this agreement, the Fund can provide securities in the form of Commonwealth Government bonds or United States Treasury bills to a counterparty as collateral on terms which permit the counterparty to repledge or resell these securities to others. The counterparties have an obligation to return the securities or equivalent credit support (i.e. securities of the same type, nominal value, description and amount) to the Fund. The risks and benefits of ownership of the securities remain with the Fund, therefore the securities have not been derecognised (i.e. treated as having been sold), although they have been separately classified in the Statement of Financial Position as Pledged Investments. Cash pledged as collateral has been separately disclosed as Pledged Cash at Bank.

As at 30 June 2023, the Fund pledged \$81.955 million of cash (2022: \$228.577 million), and \$1.126 million of fixed income government securities (2022: \$14.9 million) as collateral.

Under the same agreement, the Fund may also receive cash and securities as collateral from the counterparties which are not recorded in the Statement of Financial Position. The Fund is permitted to repledge or resell the securities to others however the risks and benefits of ownership remain with the counterparty. The Fund has an obligation to return the securities or equivalent credit support to the counterparty. As at 30 June 2023, the Fund held \$(11.077) million net (i.e. pledged vs. received) of cash (2022: \$32.863 million) as collateral on such terms. The Fund has not sold or repledged this collateral (2022: \$0).

COMMONWEALTH BANK GROUP SUPER

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

The notional principal amounts and fair value of the derivatives held by the Fund (on an individual transaction basis) were:

	Notional Principal Amounts		Fair Value	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Futures</b>				
Assets	(1,230,794)	(1,276,569)	12,092	38,447
Liabilities	3,064,292	2,469,602	(10,988)	(32,423)
	<u>1,833,498</u>	<u>1,193,033</u>	<u>1,104</u>	<u>6,024</u>
<b>Options</b>				
Assets	3,591,905	4,459,183	18,579	72,085
Liabilities	(936,424)	(1,081,308)	(6,613)	(18,308)
	<u>2,655,481</u>	<u>3,377,875</u>	<u>11,966</u>	<u>53,777</u>
<b>Foreign Exchange Contracts</b>				
Assets	(902,044)	(608,701)	34,012	75,334
Liabilities	(3,313,608)	(3,789,332)	(105,395)	(231,218)
	<u>(4,215,652)</u>	<u>(4,398,033)</u>	<u>(71,383)</u>	<u>(155,884)</u>
<b>Swaps</b>				
Assets	5,722,371	6,377,379	109,307	71,908
Liabilities	4,964,685	7,414,207	(86,721)	(84,860)
	<u>10,687,056</u>	<u>13,791,586</u>	<u>22,586</u>	<u>(12,952)</u>
<b>Warrants</b>				
Assets	18,745	39,870	24,140	43,341
Liabilities	-	-	-	-
	<u>18,745</u>	<u>39,870</u>	<u>24,140</u>	<u>43,341</u>
<b>Summary</b>				
Assets	7,200,183	8,991,162	198,130	301,115
Liabilities	3,778,945	5,013,169	(209,717)	(366,809)
	<u>10,979,128</u>	<u>14,004,331</u>	<u>(11,587)</u>	<u>(65,694)</u>

The maximum exposure to credit risk before any credit enhancements at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

The majority of derivative assets and liabilities are expected to be recovered or settled within twelve months of the reporting date.

There are no significant concentrations of credit risk within the Fund. The Fund's assets are invested directly by the Trustee or by selected investment managers and are held by the Trustee directly or by the Fund's master custodian State Street (SSAL).

The aggregation of notional amounts to the relevant asset or liability category is determined by the fair value category of the instrument.

The Fund invests in fixed income securities most of which have an investment grade as rated by credit rating agencies. An analysis of debt securities by rating is set out in the table below:

	2023 \$'000	2022 \$'000
<b>Rating</b>		
Investment Grade		
AAA	2,325,714	1,700,626
AA+ to BBB-	1,285,878	1,509,551
Non-Investment Grade		
BB+ to D	39,509	34,608
Not Rated	359,837	258,116
<b>Total</b>	<u>4,010,938</u>	<u>3,502,901</u>

**NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**15. FINANCIAL RISK MANAGEMENT (CONTINUED)****(d) Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. Cash flow interest rate risk is the risk that future cash flows on financial instruments will fluctuate because of changes in market interest rates.

To control liquidity and cash flow interest rate risk, the Fund maintains significant cash balances and invests mainly in financial instruments, which under normal market conditions, are readily convertible to cash.

Liquidity risk is generally managed by regular monitoring of the liquidity position, annual stress testing of the liquidity profile of the Fund, and incorporating liquidity considerations into the investment mandate with managers. The liquidity position of the Fund is conditional on a number of external factors, including the liquidity of the investment markets in which the Fund invests, member transactions such as switches and redemptions, and the relevant legislative requirements governing members' access to their superannuation benefits.

The Fund's significant financial liabilities are benefits payable to members. In relation to vested superannuation benefits, these would be considered on demand, which comprise the entire accumulation benefit component and vested portion of the defined benefit component. These vested benefits amount to \$10,090 million (2022: \$9,681 million), and could be considered to have a maturity of less than 1 month. The Fund manages its obligations to pay benefits on expected maturity, based on management's estimates and actuarial assumptions of when such funds will be drawn down by members. The Fund considers it highly unlikely that all members will request to withdraw or roll over their superannuation fund account at the same time.

The value of vested benefits relating to non-commutable pensions amounts to \$1,951 million (2022: \$1,925 million) with an average estimated annual payment of \$148 million and an average duration of around 11 years.

The Fund considers all non-derivative financial liabilities to be due in 1 month or less.

The table below analyses the Fund's derivative financial instruments into relevant maturity groupings based on the remaining period to the contractual maturity date at the year end date. The amounts disclosed in the table are the contractual undiscounted cash flows (on an individual transaction basis).

	<b>1 month or Less \$'000</b>	<b>1 to 3 Months \$'000</b>	<b>3 to 12 Months \$'000</b>	<b>1 to 3 Years \$'000</b>	<b>Over 3 Years \$'000</b>	<b>Total \$'000</b>
<b>2023</b>						
<b>Net settled derivatives</b>						
Futures	44	1,835	(2,997)	2,316	(94)	1,104
Options	85	1,989	1,277	54	8,561	11,966
Foreign exchange contracts	(68,713)	(2,670)	-	-	-	(71,383)
Swaps	-	2,164	18,432	112	1,878	22,586
Warrants	24,140	-	-	-	-	24,140
<b>Gross settled derivatives</b>						
Foreign exchange contracts						
Inflows	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-
Swaps						
Inflows	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-
<b>2022</b>						
<b>Net settled derivatives</b>						
Futures	11,886	9,681	(16,250)	569	138	6,024
Options	2,298	841	3,364	789	46,485	53,777
Foreign exchange contracts	(72,578)	(1,966)	(81,340)	-	-	(155,884)
Swaps	(245)	(307)	(7,311)	(2,324)	(2,765)	(12,952)
Warrants	43,341	-	-	-	-	43,341
<b>Gross settled derivatives</b>						
Foreign exchange contracts						
Inflows	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-
Swaps						
Inflows	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-

**(e) Fair value estimation**

The methods adopted in determining the fair value of the Fund's assets are explained in Note 4. The Fund's investments are listed in the Statement of Financial Position on page 2.

COMMONWEALTH BANK GROUP SUPER

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

16. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the tables below.

Financial Assets	Effects of offsetting on the Statement of Financial Position			Related amounts not offset			
	Gross amounts of financial assets \$'000	Gross amounts set off \$'000	Net amount of financial assets presented \$'000	Amounts subject to master netting arr- angements \$'000	Financial instrument collateral \$'000	Cash collateral \$'000	Net amount \$'000
<b>2023</b>							
Derivatives (a)	198,130	-	198,130	(39,364)	-	(19,358)	139,408
<b>Total</b>	<b>198,130</b>	<b>-</b>	<b>198,130</b>	<b>(39,364)</b>	<b>-</b>	<b>(19,358)</b>	<b>139,408</b>
<b>2022</b>							
Derivatives (a)	301,115	-	301,115	(30,581)	-	(34,139)	236,395
<b>Total</b>	<b>301,115</b>	<b>-</b>	<b>301,115</b>	<b>(30,581)</b>	<b>-</b>	<b>(34,139)</b>	<b>236,395</b>
<b>Financial Liabilities</b>							
	Effects of offsetting on the Statement of Financial Position			Related amounts not offset			
	Gross amounts of financial liabilities \$'000	Gross amounts set off \$'000	Net amount of financial liabilities presented \$'000	Amounts subject to master netting arr- angements \$'000	Financial instrument collateral \$'000	Cash collateral \$'000	Net amount \$'000
<b>2023</b>							
Derivatives (a)	209,717	-	209,717	(39,364)	(1,126)	(10,893)	158,334
<b>Total</b>	<b>209,717</b>	<b>-</b>	<b>209,717</b>	<b>(39,364)</b>	<b>(1,126)</b>	<b>(10,893)</b>	<b>158,334</b>
<b>2022</b>							
Derivatives (a)	366,809	-	366,809	(30,581)	(11,137)	(22,343)	302,748
<b>Total</b>	<b>366,809</b>	<b>-</b>	<b>366,809</b>	<b>(30,581)</b>	<b>(11,137)</b>	<b>(22,343)</b>	<b>302,748</b>

(a) Master netting arrangement

The Fund presents the fair value of its derivative financial assets and liabilities on a gross basis. Certain derivative financial instruments are subject to enforceable master netting arrangements, such as an International Swaps and Derivatives Association ("ISDA") master netting agreement. In certain circumstances, for example, when a credit event (such as a default) occurs, all outstanding transactions under the ISDA agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Statement of Financial Position, but have been presented separately in the above table.

COMMONWEALTH BANK GROUP SUPER

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

17. OPERATIONAL RISK FINANCIAL RESERVE

	2023 \$'000	2022 \$'000
Opening balance	30,683	33,537
Transfers to/(from) reserve	(215)	(2,910)
Earnings on reserve	812	56
Transfers from reserve	-	-
Losses on reserve	-	-
<b>Closing balance</b>	<b><u>31,280</u></b>	<b><u>30,683</u></b>

Superannuation Prudential Standard 114 "Operational Risk Financial Requirement" ("SPS 114") which became effective 1 July 2013, requires Registered Superannuation Entity ("RSE") licensees to maintain adequate financial resources to address losses arising from operational risks that may affect such entities within their business operations. The Fund's Operational Risk Financial Reserve ("ORFR") has been established for this purpose.

As a minimum, the Fund aims to hold an ORFR Target Amount equal to 25 basis points of funds under management (at a specified point in time), subject to a predetermined tolerance limit. The tolerance limit is set by the Trustee to reduce the need for small transfers to or from the ORFR for immaterial fluctuations in the ORFR's value.

The ORFR may only be used to make a payment to address an operational risk event as defined by SPS 114.

If the balance of the ORFR were to fall below the tolerance limit, additional funds would be transferred into the ORFR. Any transfers to the ORFR must be approved by the Trustee.

18. STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Fund's power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, the Fund applies the Investment Entity Exception available under AASB 10 and therefore does not consolidate its controlled entities. In other cases it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Fund. Such interests include holdings of units in unlisted trusts. The nature and extent of the Fund's interests in structured entities are included in "Unit trusts" and "Property" as outlined in Note 4. The Fund's maximum exposure to loss from its interests in structured entities is \$1,086.64 million (2022: \$1,089.69 million), which is equal to the total fair value of its investment in the structured entities.

The Fund has exposures to unconsolidated structured entities through its investments. The Fund typically has no other involvement with the structured entity other than the securities it holds as part of its investments and its maximum exposure to loss is restricted to the carrying value of the investment.

**COMMONWEALTH BANK GROUP SUPER**

**STATEMENT BY TRUSTEE  
FOR THE YEAR ENDED 30 JUNE 2023**

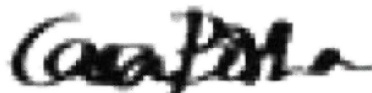
In the opinion of the Directors of Commonwealth Bank Officers Superannuation Corporation Pty Limited, being the Trustee of Commonwealth Bank Group Super:

- (a) The Financial Report for the year ended 30 June 2023 has been prepared on a going concern basis, and presents fairly the net assets of the Fund as at that date and the results of its operations for the year then ended in accordance with applicable Australian Accounting Standards and other mandatory reporting requirements; and
- (b) The Financial Report has been prepared in accordance with the requirements of the Fund's Trust Deed and Rules, the Superannuation Industry (Supervision) Act 1993 and Regulations and the Corporations Act 2001 and Regulations and Guidelines.

Signed in accordance with a resolution of the Board of Directors, for and on behalf of the Trustee, by:



Director



Director

Dated this 22<sup>nd</sup> day of September 2023  
Sydney NSW



## Independent Auditor's report on financial statements

Independent Auditor's report approved form for an RSE<sup>1</sup> that is a reporting entity<sup>2</sup>

### Report by the RSE Auditor<sup>3</sup> to the trustee and members of Commonwealth Bank Group Super ABN 24 248 426 878

#### Opinion

I have audited the financial statements of Commonwealth Bank Group Super (the Fund) for the year ended 30 June 2023 comprising the Income Statement, Statement of Financial Position, Statement of Changes in Member Benefits, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Report.

In my opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of Commonwealth Bank Group Super as at 30 June 2023 and the results of its operations, cash flows, changes in equity and changes in members' benefits for the year ended 30 June 2023.

#### Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter - *Material uncertainty related to going concern*

We draw attention to Note 1(b) in the financial report, which indicates the trustee of the Fund has entered into a Memorandum of Understanding to pursue a merger with Australian Retirement Trust. This condition along with other matters as set forth in note 1(b) indicates that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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<sup>1</sup> Registrable superannuation entity (RSE) as defined in Section 10 of the SIS Act.

<sup>2</sup> APRA-regulated RSEs aside from Small APRA Funds (SAFs), as per Australian Accounting Standard AASB 1056 Superannuation Entities Preface and paragraph BC 35

<sup>3</sup> RSE Auditor as defined in Section 10 of the SIS Act.





### **Responsibilities of the trustee for the Financial Statements**

The RSE's trustee *is* responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards<sup>4</sup> and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee *is* also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the RSE or to cease operations, or has no realistic alternative but to do so<sup>5</sup>.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercised professional judgment and maintained professional scepticism throughout the audit. I also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Concluded on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If

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<sup>4</sup> The Australian Accounting Standards issued by the Australian Accounting Standards Board.

<sup>5</sup> Auditing Standard ASA 570 *Going Concern*, paragraph 2



I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my audit opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicated with the trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identified during my audit.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*SJ Smith*

SJ Smith  
Partner

Sydney  
22 September 2023