

Group Super News

Your member update

Accumulate Plus | August 2020

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Including early access to superannuation

Accumulate
Plus
members

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 Commonwealth Bank
Group Super

A note from Rosemary Vilgan, Chair, Trustee Board



“In challenging times, the continued focus on members’ best interests and financial wellbeing is our priority.”

Like many, I have been shocked and saddened by the extraordinary events of 2019-20. Devastating bushfires, geopolitical unrest, and the sad health and economic impact of the Coronavirus pandemic. It’s been a year like no other.

I hope you and your loved ones are safe and well, and have support networks around you. We aim to be a part of those networks when it comes to your financial wellbeing and savings for the future.

From the fund

In addition to managing the events above which impacted all, the fund over the past year has been working on other key areas that impact your superannuation.

Two new laws about insurance cover through superannuation came into effect during 2019-20, which change the provision of insurance cover for new and existing super fund members. The changes aim to ensure that account balances are not unduly eroded by insurance premiums. I encourage you to read more on page 3 to see if these new laws affect you.

Over the past year, we have also been conducting an in-depth review of providers that look after member and investment administration as well as custody services. For this review, we are looking to the wider market. We are focussing on emerging technologies; new and additional services the marketplace offers; and importantly how organisations fit with our strategic direction to provide the best long-term outcomes to members. We are making good progress and we plan to share the results of our review in early 2021.

Investing in a shared future...while keeping a close eye on today

Investment markets have had a rollercoaster of a year with sharemarkets posting some of the fastest and largest falls we have seen in recent history,

followed by a swift partial recovery. The benefits of diversification helped to cushion our member balances from the extreme volatility. As you’ll see on your benefit statement, our investment options posted minimal positive returns and in some cases negative returns for the 12-month period to 30 June 2020, largely driven by the effects during early 2020. While market returns can be unpredictable in the short term, we expect that returns will be more stable over the long term and we remain committed to building portfolios to meet long term objectives. We encourage our members to focus on long-term returns and to remember that, historically, volatility is a natural part of the investment cycle.

Thank you

My sincere thanks to all of you who allow our fund to continue our commitment to the wellbeing and retirement outcomes of our members. Given the tumultuous year and the fund’s continued performance, I would like to acknowledge the first year of Scott Durbin’s leadership as the fund’s CEO. I thank my fellow directors for their dedication. In particular, I would like to thank Cassandra Williams, who departed the Board during this year, and welcome Chris Williams to the Board. The directors also join me in appreciation of the Trustee Services team, our administrators, investment managers, insurer and service providers who make our members their focus.

It is our privilege to look after your savings for retirement, and we thank you for allowing us to help you on your path towards financial wellbeing.

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Reminder: Changes to insurance in super rules.



New laws for insurance cover in super accounts came into effect in the 2019-20 financial year. The laws change the way default insurance cover can be provided to new members and when insurance cover can be maintained for existing members.

Changes to start of default cover rules

Most Commonwealth Bank Group employees who join the fund are eligible for default insurance cover for Death and Total and Permanent Disablement (TPD) through their Accumulate Plus account. Default cover means insurance is provided without you having to apply or provide health or medical evidence to the insurer.

If you joined Accumulate Plus before 1 April 2020, default cover generally began from the date your account was opened. However, eligible members joining the fund on or after 1 April 2020 must meet certain age and account balance criteria before default cover can commence.

For new eligible members from 1 April 2020, default cover begins on the earliest of the following dates:

- **Automatic start:** on the date that both of the following are true:
(i) you're aged 25 or over and (ii) your account balance is at least \$6,000
- **Early opt-in:** you can request to start your default cover earlier than your automatic start date above, providing we receive your early opt-in request within 120 days of joining Accumulate Plus.

You can read more about default cover in our Reference Guide: Insurance cover (Death & TPD) for Accumulate Plus, available from oursuperfund.com.au/pds.

Changes to when cover may be cancelled

Insurance cover may provide some financial protection if you are unable to work due to disability or if you die. However, insurance premiums are deducted from your account balance and reduce the amount of super available when you retire.

To help ensure the cost of insurance cover doesn't unduly erode members' retirement savings, new laws prevent super funds from providing cover to you once your super account becomes inactive, unless you specifically elect to keep your cover. Under these rules, an account is considered 'inactive' if it has received no contributions or rollovers for 16 consecutive months.

If you don't have an employer currently contributing to your Accumulate Plus account or if you're not making personal contributions to your super, your insurance cover may be at risk of cancellation under these laws.

If we identify your cover is at risk due to an inactive account, we'll contact you

before your cover is cancelled. But to make sure you don't get caught out, keep in touch with your insurance cover and your super, check your statements regularly so you know your cover details, and regularly consider if your cover suits your circumstances.

You can read more about the automatic cancellation of insurance cover in our Reference Guides: Insurance cover, available from oursuperfund.com.au/pds.

Looking for advice about insurance?



If you have questions about the type or amount of insurance cover you should have, we've arranged for the Advice Essentials¹ team to provide phone-based advice to members. There is generally no additional cost to you to use this service for advice relating to insurance cover in your Accumulate Plus account. Visit oursuperfund.com.au/advice for more details.

¹ Advice Essentials operates under Commonwealth Financial Planning Limited (ABN 65 003 900 169, AFSL 231139)

Our seminar program now available online!

Group Super Live seminars are now online as webinars for Accumulate Plus members, and we'd love for you to join us.

We kicked off our webinar program in June this year, and members have been enthusiastic about the new format. So far, we have run 40 webinars, with an average of around 30 members registered for each webinar.

Our Member Education Manager and seminar facilitator, Justin Miles, has seen the positive response from members firsthand. "Our webinars have helped members continue to keep in touch with their super virtually, all from the comfort of their own homes," he says. "It's been great to see members from different locations around Australia interact through the webinars to get their super questions answered."

Interested in attending a webinar?

We're currently running two topics and have sessions booked for August and September, with new dates being added regularly.

- **Maximising your super:** Boost your super knowledge with plenty of practical super tips and strategies to maximise your savings.
- **Preparing for retirement:** Understanding retirement strategies, pensions and rules around accessing your super and contribution options.

You can find all details, including topic overviews, webinar dates/times, and registration links, through our website, oursuperfund.com.au/seminars.

Can't make any of our current dates? Don't worry — there will be more webinars coming soon. Check oursuperfund.com.au/seminars for updates.

Contact us if you have any questions

If you have any questions about our Group Super Live seminars or webinars, please contact us at groupsuperseminars@cba.com.au.



How to register

Find out dates and times of our upcoming webinars, and all registration details, on our website oursuperfund.com.au/seminars

Eyes wide open: watch out for pandemic scams.



While these challenging times have seen some of the best of humanity, unfortunately there are those who seek to take advantage of others in a time of vulnerability. And with temporary early super release legislation allowing many to access money from their super, scammers have been hard at work trying to steal this money.

Watch out for anyone offering to assist with access to your super, or anyone cold-calling you about withdrawing your super. The only way to access your super for legitimate early release (if you're eligible) is by applying through your MyGov account or calling the Australian Taxation Office (ATO).

Ways to help protect yourself and your money from scammers:

- Never give out any identifying details.
- Never disclose any super account details, regardless of the offer.
- End the call and verify their identity by contacting their organisation using a number found independently, for example via an online search.

For more details on COVID-19 and other superannuation scams visit:

- www.scamwatch.com.au
- www.moneysmart.gov.au/how-super-works/superannuation-scams

Check out additional information to help you manage your money during the pandemic at www.moneysmart.gov.au/covid-19.

Did you know about our spouse membership option?



Would your spouse or partner like to enjoy many of the same Accumulate Plus benefits that you do? If your partner is interested in an Accumulate Plus account, simply visit oursuperfund.com.au/spouse to find out more! You can also find out more in the Member Guide (PDS) for Accumulate Plus at oursuperfund.com.au/pds. You'll both need to complete the application form, and as a member you will need to make a spouse contribution in order to open the new account.

Our performance – a constant in uncertain times.



As Australia navigates its way beyond the COVID-19 pandemic and its wide-reaching impacts, you may be looking towards brands to deliver what they promise and provide you with a sense of stability.

With over a century of experience of supporting the people of the Commonwealth Bank Group, we're committed to our members' financial wellbeing for retirement. We do this by offering value-for-money products, managing investments to meet long-term objectives, and providing services to support your super journey through to retirement, all supported by robust governance.

Throughout the pandemic, we have maintained regular contact with members, responding to their questions, and posting regular updates to our coronavirus hub at oursuperfund.com.au/coronavirus.

Well-diversified investments

We maintain a close eye on the pandemic's impact on investments, and we manage our diversified investment options to achieve our long-term investment objectives – while limiting members' exposure to sharp downfalls and volatility in investment markets.

The value of diversification is seen when comparing the performance of our Balanced (MySuper) option to major sharemarkets over the 12-month period to 30 June 2020. The Australian sharemarket, measured by the S&P/ASX 200 index, experienced a fall of approximately -7.68% in the period, whereas our Balanced (MySuper) option return for Accumulate Plus, after applicable fees and taxes have been deducted, was approximately -0.46% for the same period. Shorter-term returns should also be considered in the context of longer-term returns. For example, our 10-year return for the Balanced (MySuper) option was 7.07% p.a., compared to our investment return objective of 4.29% p.a.

Note: Past investment performance is not a reliable indicator of future performance.



Competitive fees

For the last 11 years, Accumulate Plus has been ranked by industry ratings agency SuperRatings as a Platinum fund, awarded to funds recognised as 'best value for money'. Based on SuperRatings data¹, Accumulate Plus's overall fees are rated 'well above benchmark' (i.e. lowest) when compared with around 100 MySuper products, with our fees positioned in the top quartile across representative



\$5,000, \$50,000 and \$100,000 account balances.

¹ Source: SuperRatings Benchmark Report 2020, issued by SuperRatings Pty Ltd (ABN 95 100 192 283, AFSL 311880).

Protection for what matters most

It's important to feel confident that you're with a robust fund with a strong insurance offering. Our fund is consistently rated highly for insurance by industry rating agencies. This year, we were also a finalist in the 'Best Fund: Insurance' category in the 2020 Chant West and Conexus Financial Superannuation Awards.

Here for the long term

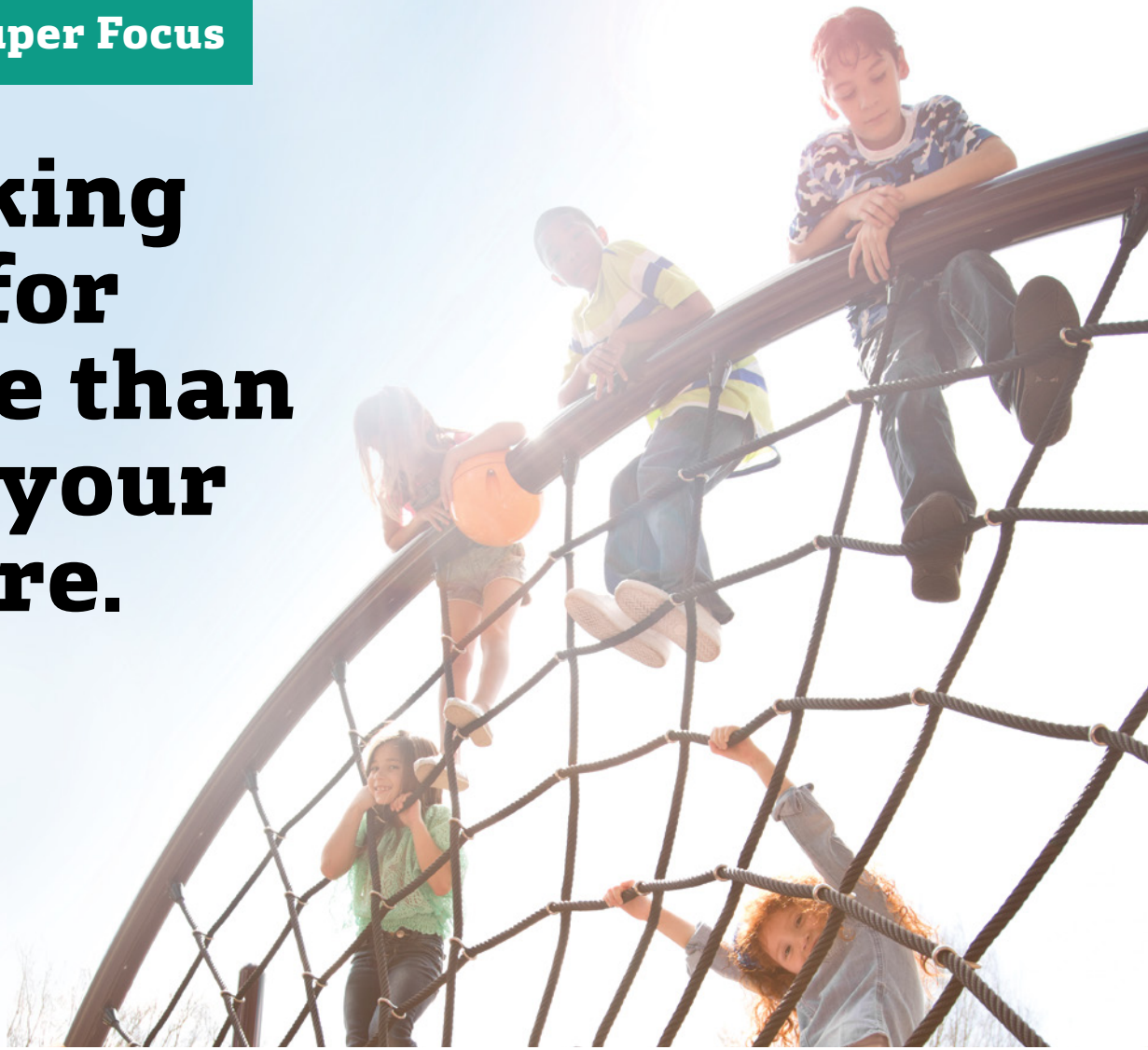
Did you know that your account with us remains open even if you happen to leave employment with the Commonwealth Bank Group? You can keep your Accumulate Plus account throughout your career, and continue to have Super Guarantee (SG) contributions and other voluntary contributions paid into your account. Then when you retire or transition to retirement, our Retirement Access pension options are there for you too. Find out more in the Member Guide (PDS) for Retirement Access on our website oursuperfund.com.au/pds.

Let us be the fund you can take with you through life.

For more details on the advantages of being a Group Super Accumulate Plus member, visit our website oursuperfund.com.au/advantages.



Looking out for more than just your future.



When it comes to investing members' super savings, our primary goal is to achieve returns that meet the long-term investment objectives we set for our investment options. This includes taking diversification, along with wider-reaching investment impacts, into account.

Real assets

The prominence of super funds investing in sharemarkets can sometimes eclipse the significance of funds investing in 'real assets', or those assets that are more permanent and tangible, such as property and infrastructure (i.e. utilities and essential community services). We invest in real assets both in Australia and internationally, with the fund sharing direct ownership of assets and indirect ownership through listed or unlisted trusts for other real assets.

Investing in real assets plays a key role in our fund's investment strategy. They provide access to opportunities not available in listed markets; generally have predictable cashflows (e.g. rental income) that increase with inflation; and are often less sensitive to economic fluctuations than other asset classes. As a result, exposure to real assets can benefit our members by offering long-term returns and diversification within our diversified investment options, which aligns to our core investment beliefs.

Locally focused, but globally aware

Our real asset investments include infrastructure (e.g. airports) and property assets located within Australia and internationally. Some examples include:

Brisbane Airport Corporation (BAC)

Airports play a critical role in our domestic economy. Across Australia, airports continue to drive growth and development of regions in areas such as tourism, commerce and education.

The COVID-19 crisis has directly affected BAC, with the airport effectively closed over this period. Despite this, based on historical performance, we expect it to be a stable long-term asset that is financially sound with an ongoing lease of around 80 years granted by the Federal Government.

BAC also maintains a strong focus on sustainability and environmental matters, including airport initiatives on carbon emissions, food waste and biodiversity.

Barwon Institutional Healthcare Property Fund (BIHPF)

BIHPF owns and develops a range of Australian community healthcare facilities, such as mental health centres and private hospitals – the development of Gosford Private Hospital on the Central Coast of NSW is one such example.

We are supporting BIHPF to inject further investment in this facility, which will deliver 12 new surgical theatres, additional beds, an expanded surgery unit and a new maternity ward to meet continually increasing demand.

We also explore global opportunities. Not only does maintaining an international lens provide us with a wider range of investment opportunities, but expanding our geographic footprint helps further diversify our portfolio's exposure. Some of our global investments are listed on the following page.

Kinland – Child care property

Late last year, we were excited to secure material ownership in a portfolio of social infrastructure assets in Scandinavia. This investment plays a key role in delivering childcare assets to more than 100 municipalities across Norway, Finland and Sweden.

District Heating – Kvitebjørn Varne AS, Tromsø Norway

In communities that endure extreme cold, such as in Tromsø, demand for heat is high and continuous. 'District heating' is a system that pumps hot water through pipes around a district to meet heat demand, providing more sustainable heating solutions by reducing costs and pollution.

We invest in Kvitebjørn Varne, which operates the district heating network in Tromsø. Through a 55-kilometre network of underground pipes, it exclusively provides district heating to the city's buildings and streets, primarily from sustainable and low carbon generation technologies.

We believe district heating represents an attractive and resilient market that serves the community in an environmentally friendly and sustainable manner.

COVID-19's impact on real assets

Generally, there has been an impact on most asset classes in some way from the major economic disruption associated with the COVID-19 pandemic. Real assets are no exception, with some likely to be more affected than others. The impact on returns has generally been due to

factors such as reduction in air travel, closure of retail shops and the cessation of elective surgeries.

In our case, this has meant our real assets portfolio returned approximately -1.3%¹ over the 12-month period to 30 June 2020. Over the same period, the Australian shares S&P/ASX 200 index returned approximately -7.68%.

Real assets make up only one component of our diversified investment options. Our investment approach seeks to minimise members' exposure to volatility in any one particular asset class. In the case of our Balanced (MySuper) option, real assets make up approximately 18% of the option's strategic asset allocation.

The road ahead

Together with our investment managers and advisers, we continue to monitor and assess the fitness of all our portfolios to meet the investment objective we set for each of our investment options. As the effects of the pandemic on assets and economic outlooks continue to emerge, and as our fund's local and global investment journey moves forward, we maintain our commitment to achieving returns that meet long-term investment objectives.

¹ Real assets returns shown are before investment fees and taxes (note this also applies to the S&P/ASX200 return).

Important note: You should remember that returns are not guaranteed. Returns may be positive or negative and negative returns will reduce your account balance. Past investment performance is not a reliable indicator of future performance.



Want to talk about your Accumulate Plus account?

Talking to our contact centre team about your Accumulate Plus account and getting the answers you're looking for can go a long way in helping you take control of your financial future. They're available to discuss your account Monday to Friday, 8am-7pm (AEST/AEDT).

Simply call 1800 023 928 to get started!

You also have the option to speak to the phone-based team of financial advisers¹, who can provide advice on aspects of your Accumulate Plus account at no additional cost to you. For more information, including terms and conditions, visit oursuperfund.com.au/advice or call **1800 023 928** and ask to speak with the Advice Essentials team.

¹ Advice relating to Accumulate Plus is provided by the Advice Essentials team, operating under Commonwealth Financial Planning Limited (ABN 65 003 900 169, AFSL 231139).



Good corporate citizenship

We're conscious of the fact that investing a large pool of members' money requires careful consideration of broader non-financial matters for our investments. We have created our ESG strategy and Climate Change Position Statement to guide our long-term investment outcomes when we consider our investment choices. You can read

more about these on our website oursuperfund.com.au/esg.

Balancing savings and sustainability

Real assets are a significant part of our diversified investment strategies. While we consistently work to enhance investment returns over the longer term, we also aim to invest your super in assets that produce benefits to the wider community where possible.



Did you know?

Our insurance options are flexible to suit your circumstances and needs, including default cover for eligible members, the option to transfer cover from other super funds, and a life events option allowing you to apply for increases to cover without having to provide additional medical evidence. For more information, please visit oursuperfund.com.au/insurance.

Member notices.

Changes to investment-related fees and costs effective 1 July 2020

Super funds are required to disclose certain information about fees and costs based on fees and costs incurred in the previous financial year. This means investment-related fee and cost estimates may change each year. The updated estimates of investment-related fees and costs for the 12 months to 30 June 2020 are outlined in the table below, together with the prior year estimates for comparison. You can read more about these changes to fees and costs in the Update Notice and the Reference Guide: Fees and other costs, issued on 1 July 2020 for Accumulate Plus, available from oursuperfund.com.au/pds.

Important notes to keep in mind:

Past costs are not a reliable indicator of future costs. Investment-related fees and costs are not the only fees and costs that may apply to your account. For example, an administration fee is also charged, and insurance premiums are deducted if you have insurance cover. There are no changes to other fee types or amounts at this time. For further details of the fees and costs that may apply to your account, you should read our Reference Guide: Fees and other costs for Accumulate Plus, which is available from oursuperfund.com.au/pds or you can call us for a copy.

Updated estimates of investment fees for the 12 months to 30 June 2020

	OLD Estimated investment fee (total) for 12 months to 30 June 2019 (%pa)	NEW Estimated investment fee (total) for 12 months to 30 June 2020 (%pa)	Estimated annual effect of this change for a \$50,000 account balance
Conservative	0.32	0.33	\$5
Moderate	0.43	0.44	\$5
Balanced	0.50	0.55	\$25
Growth	0.51	0.58	\$35
Cash	0.07	0.06	-\$5
Fixed Interest	0.27	0.22	-\$25
Australian Shares	0.41	0.46	\$25
International Shares	0.47	0.49	\$10

Early access to superannuation

As part of the government's response to the COVID-19 (coronavirus) pandemic, members can temporarily apply to the ATO online through www.my.gov.au to access up to \$10,000 of their super for the 2020-21 financial year before 31 December 2020 (conditions apply).

Important note: If you are considering applying for early release of super under this measure for the 2020-21 financial year, consider the impact of decreasing your super balance now on your long-term retirement savings. For both 2019-20 and 2020-21 applications, you should also ensure you accurately meet the eligibility criteria to avoid penalties from the ATO.

For more information, please visit our website oursuperfund.com.au/coronavirus.

Increases to contribution age and work test rules

From 1 July 2020, you can make voluntary contributions to your super up to age 67 without having to meet work test requirements or the work test exemption.

This includes after-tax (non-concessional) contributions, personal deductible (concessional) contributions, and salary sacrifice or other employer contributions.

Spouse contributions can also now be accepted up until age 67, or from ages 67 to 74 providing the receiving spouse meets the work test or work test exemption. Read our Reference Guide: Contributing to your super at oursuperfund.com.au/pds for more information.

New Accumulate Plus PDS and Reference Guides issued

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

- New product disclosure statement (PDS) titled Member Guide for Accumulate Plus, along with updated Reference Guides issued 1 April 2020. Key changes relate to:
 - Rules around when default insurance cover starts
 - Investment objectives for all investment options
 - Standard risk measures for most investment options
 - Key tax rates and thresholds for 2020-21
- Updated Reference Guide: Insurance Cover (Death & TPD) issued 21 May 2020 to clarify limited cover rules for default cover beginning on or after 1 April 2020
- Updated Reference Guide: Contributing to your super issued on 1 July 2020, with changes relating to the voluntary contribution age limits and work test rules from 1 July 2020
- Updated Reference Guide: Fees and other costs issued on 1 July 2020, with updated estimates of investment-related fees and costs for the 12 months to 30 June 2020.

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

Group Super's first Annual General Meeting (AGM)

We are holding our fund's first AGM in the first half of the calendar year 2021. Further details and information will be on our website oursuperfund.com.au as they become available.

Accumulate Plus members

- oursuperfund.com.au
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This newsletter was prepared on 12 August 2020 by Commonwealth Bank Officers Superannuation Corporation Pty Limited (the trustee) (ABN 76 074 519 798, AFSL 246418), trustee of Commonwealth Bank Group Super (the fund) (ABN 24 248 426 878). The information is prepared for members for general information only and does not take into account your individual objectives, financial situation or needs. You should consider the information and how appropriate it is having regard to your own objectives, financial situation and needs. You should consider the Product Disclosure Statement (PDS), Reference Guides and Update Notices relating to the product from our website oursuperfund.com.au/pds before making any decision about whether to acquire or continue to hold the product. You should also consider seeking professional financial advice tailored to your personal circumstances from an authorised financial adviser.
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