

# Group Super News

Your member update

Accumulate Plus | February 2021

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### It's worth checking your insurance in super.

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, so it's important to understand the insurance cover you may have as part of your super account. And if you don't currently have cover, perhaps consider whether applying for insurance may be appropriate for your situation.

#### Your age can be an important factor

Life rarely stays the same, and if you're in your 20s, 30s, 40s or 50s it may be worth considering how your personal circumstances change and how this may affect your insurance needs now and in the future.

For example, is your family growing? Are you taking on more debt? Are you changing careers? Ensuring you have adequate insurance to cover your financial circumstances helps to look after your loved ones in the event of the unexpected.

As you get older, your circumstances may be changing in different ways – for instance with children grown and moved out, or perhaps lower debt and fewer financial commitments. It may be worth considering whether a decrease to your insurance cover is in order to reduce the amount of premiums deducted from your super account.

#### Insurance cover is no longer a set and forget option

Laws for insurance cover in super accounts affect when and how insurance cover can be maintained. The changes aim to

ensure that account balances are not unduly eroded by insurance premiums, particularly for inactive or low-balance super accounts. It's good to keep these changes in mind if your personal circumstances also change.

#### Inactive super accounts

Super funds must cancel your cover 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.

#### More information

Read more about the rules for insurance in super, including automatic cancellation of cover in our Reference Guides: Insurance cover, available from [oursuperfund.com.au/pds](https://oursuperfund.com.au/pds).

#### It's important to stay in touch with your super and insurance cover.

Make sure you don't get caught out – check your statements or online account regularly so you know your cover details, and regularly consider if your cover suits your personal situation.

## Investment update

## Our '3in5' tips

## Updating your details: why it's important

## Keeping in touch with our members



Accumulate Plus members

[oursuperfund.com.au](https://oursuperfund.com.au)  
1800 023 928 between 8am and 7pm (AEST/AEDT) Monday-Friday  
[oursuperfund@cba.com.au](mailto:oursuperfund@cba.com.au)  
GPO Box 4758, Sydney NSW 2001

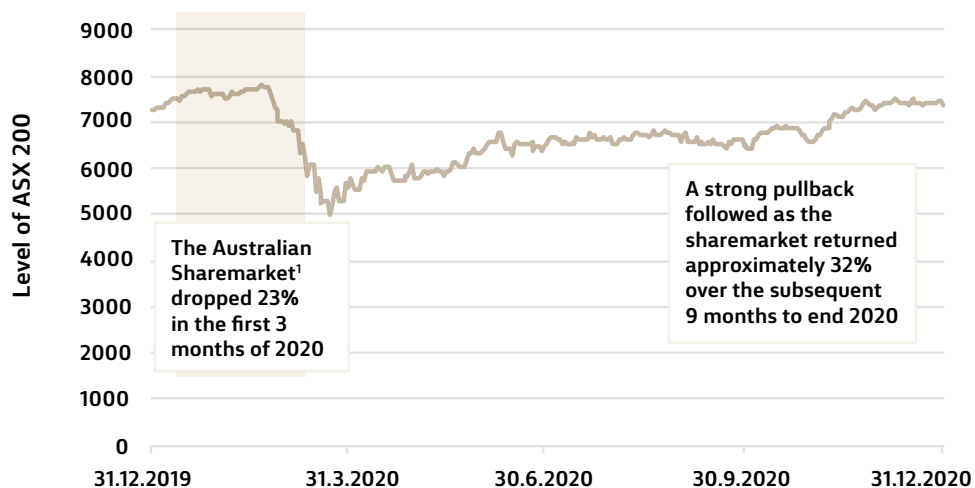
CommonwealthBank  
**Group Super**

# An investment update.

## Markets and performance

Over the course of 2020, we saw both significant downturn and upswing across a range of asset classes affecting investment returns for many Australians through their super funds. This volatility was predominantly driven by large and abrupt sharemarket changes. The graph below demonstrates the abrupt changes in the Australian sharemarket<sup>1</sup> performance during 2020 ultimately returning 1.4% for the calendar year.

### Australian Sharemarket<sup>1</sup> Performance — Calendar year 2020



<sup>1</sup>As measured by performance of the ASX200 Accumulation index.

We've experienced an unusually long period of strong sharemarket performance over the last decade. However, the severity of the downturn during the onset of COVID-19 in February-March 2020 serves as a reminder that most investment markets operate in cycles, and downturns are a natural and expected part of those cycles.

## Cash outlook

While sharemarket volatility and the potential for negative returns are common over time, recent events are resulting in some less frequently seen outcomes. An example of this is the ultra-low interest and cash rates currently prevalent in the market.

Following several reductions over recent years, in late 2020 the Reserve Bank of Australia (RBA) reduced the cash rate target to an historic low of 0.10% per annum, to help support the domestic economy through the effects of COVID-19. The RBA has also signalled it will likely maintain low cash rates to continue supporting

economic stability. These rate cuts directly affect returns payable on cash assets in the market and as a result, our cash portfolio and our Cash investment option are experiencing periods of zero and negative returns. Considering the RBA's statements and the prevailing economic outlook, we expect the current low-to-negative cash rate environment to persist for some time. We feel it is important for our members to understand this outlook and any potential implications to their own exposure to cash investments. See [oursuperfund.com.au/about-us/news/updates-coronavirus](https://oursuperfund.com.au/about-us/news/updates-coronavirus) for more information.

## Our performance

Overall, sharemarket performance has been reasonably strong since the start of the 2020-21 financial year. Our Accumulate Plus Balanced (MySuper) investment option, in which the majority of our members are invested, posted a positive six-month return of 6.32% as at the end of December 2020, calculated after the deduction of fees and applicable taxes.

The longer-term average return for this option was 6.9% per annum over the last 10 years to the end of December 2020. Importantly, and consistent with our investment objectives, all eight of our investment options have met or exceeded their investment objectives as at 31 December 2020.

## Strategy and objectives

We aim to achieve the objectives we set for each investment option and deliver less volatility in members' retirement balances. We believe we have upheld these commitments to members in recent years.

An important part of achieving our objective is to ensure that our 'pre-mixed' Conservative, Moderate, Balanced and Growth options are well diversified across asset classes and individual holdings. We believe this helps deliver both investment performance and smoother profile of investment returns over the longer-term for our members.

In delivering to this objective, these investment options may generally have less exposure to sharemarkets when compared to other funds' similar investment options. This may be the case even where options have similar names or designations such as 'balanced' or 'growth'.

When compared to peers with higher share allocations, in periods of strong sharemarket performance, we expect our returns generally to lag peers to some extent. On the other hand, in a downside sharemarket environment, we would generally expect to outperform peers with higher share allocations. In either environment, we expect to provide members with a smoother or less volatile return profile relative to peers. These expectations have been the case over recent years where sharemarkets have performed strongly over a considerable period, but our Balanced (MySuper) option has shown greater resilience to shocks and outperformed peers over shorter severe market downturns such as the COVID-19 market disruption of March 2020.

Overall, our diversified options have delivered on commitments made to members. They have delivered less volatility compared to peers with similar growth and defensive allocations, producing a smoother return experience for members. They have also delivered on their stated investment objectives. See page 6 of our 2019-20 Annual Report to Members for more details.

## Reflection — Expectation versus experience

We acknowledge that many funds meet their investment objectives and some may outperform our returns. We understand that some members may think we are not keeping pace.

Over the last 11 years since the global financial crisis, there has been a long run of strong



sharemarket performance. When setting risk positions for our portfolios in recent years, our outlook, and that of our advisers, was that such sharemarket exuberance was unlikely to continue. With many asset classes appearing over valued and cash rates low by historical standards, we anticipated that the level of returns experienced in previous years would be difficult to sustain.

In light of our recent reviews, we are looking to enhance our investment options and strategies in 2021. These include some updates to our Balanced (MySuper)

and other diversified options, introducing new investments to our alternatives and real asset portfolios, some further Environmental Social and Governance (ESG) investment initiatives, as well as other broader fund strategy updates.

*Please keep in mind: This is general information only and does not take into account your personal circumstances. You should consider the information in our PDS and Reference Guides and how appropriate it is to your own objectives, financial situation and needs, and seek professional advice tailored to your circumstances.*

## Investment initiatives.

Following an extensive review of our current MySuper strategy over the last year, we are seeking to change the structure of its 'one size fits all' investment default to a lifecycle approach. The lifecycle approach will tailor the investment strategy for the member based on the age of the member.

A review of our MySuper strategy and design objectives in conjunction with our demographic analysis and modelling has led us to evolve to a lifecycle approach to reflect better the diversity of our membership. This approach recognises that different members have different needs.

The new lifecycle strategy will provide younger members with greater

exposure to growth assets. Less emphasis is placed on downside investment protection for younger members, who have more time in the market and may have greater earning capacity to recover from downside shocks.

The lifecycle strategy will continue to shield to an extent older members from downside risk, providing a less volatile journey in the years before retirement.

Additionally, members will still have access to other investment options, including the diversified Balanced option that is the current default investment option.

We will provide our members with further information on this initiative over the year including how lifecycle strategies work.

## Keeping in touch with our members.

### Learn more about super with our webinars – new sessions in 2021!

If you're looking to broaden your super knowledge, make sure to register for a Group Super Live webinar. You'll learn more about how to maximise your super for retirement, plus a Q&A session at the end of the webinar.

Find out dates and times of our upcoming webinars, and all registration details, on our website [oursuperfund.com.au/seminars-webinars](https://oursuperfund.com.au/seminars-webinars). Consider making a commitment to your retirement planning – register today!

### Want to talk about your Accumulate Plus account?

Talk to our contact centre team about your Accumulate Plus account. They're available to discuss general information about 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

advisers<sup>1</sup>, who can provide advice on certain aspects of your Accumulate Plus account at no additional cost to you. For more information, including terms and conditions, visit [oursuperfund.com.au/advice](https://oursuperfund.com.au/advice) or call **1800 023 928** and ask to speak with the phone-based advice team.

<sup>1</sup> Advice relating to Accumulate Plus is provided by Commonwealth Financial Planning Limited (ABN 65 003 900 169, AFSL 231139).



## Our '3in5' tips: Three things you can do in five minutes to improve your super.

Here are three key actions to help boost your super that you can complete in around five minutes!

### 1. Review your account benefit statement

One of the best ways to get to know your super is to look at your most recent benefit statement. You'll find a summary of your balance, information on your insurance cover (if applicable), the beneficiaries for your account, a list of transactions, and other information to help you understand your account. It's a quick and easy way to get a snapshot of your super!

You can view your most recent benefit statement by logging into your account online – visit [oursuperfund.com.au/login](https://oursuperfund.com.au/login) to get started. Or you can call our contact centre on **1800 023 928** to request a copy.

### 2. Nominate or update your beneficiaries

Super doesn't automatically form part of a Will if you have one. If you would like to direct where your super is paid upon your death, it's important that you advise us of your wishes beforehand. If you don't have a valid non-lapsing death benefit nomination with us, the trustee has discretion to pay your death benefit to any of your legal personal representative and/or any dependants in proportions they determine.

If you'd like to provide or update beneficiary details, you can download a non-lapsing death benefit nomination form from our website – visit [oursuperfund.com.au/forms](https://oursuperfund.com.au/forms).

### 3. Consider your contributions

It's been a tough 12 months, and making additional contributions to super may not be a priority. Contributions don't have to be large, and they don't have to be permanent. Even a tiny percentage of your pre-tax salary can potentially add up over time. Every contribution counts towards giving your super savings a boost!

If you're interested in learning more about contributions, visit [oursuperfund.com.au/contribute](https://oursuperfund.com.au/contribute).

## Updating your details – why it's important.

While it may not be the first thing on your mind, please remember to update your Accumulate Plus account if you've had a change of details.

We communicate with you using the email, phone or address details listed for your account. These communications can include notices about your account, changes to account administration or services, fund updates, legislative changes and information to help you make the most of your super. Most importantly, your details are used to send you your benefit statements.

Keeping your details current allows us to keep in touch with you in a timely manner, helps protect your account against the risk of fraudulent access, and allows you to keep in touch with your super. Update your contact details today!

### It's easy to update your details!

The quickest way to update your details is to log into your account online ([oursuperfund.com.au/login](https://oursuperfund.com.au/login)) and follow the prompts to make your changes.

Alternatively, you can visit our website [oursuperfund.com.au/forms](https://oursuperfund.com.au/forms) to download and complete a 'Change of details' form for your membership type.



### An update on our service provider reviews.

Throughout the turmoil of 2020, we remained focussed on strategies to continue delivering great outcomes for our members. In our August 2020 newsletter, we let you know that we were reviewing our member administration, investment administration and investment custodial services.

Since our last update we have completed a thorough due diligence review of our short-listed providers. We are negotiating contracts and detailed project planning of transition activities is now well underway. While we are in this period of negotiations and planning, we are not yet able to name the providers.

Our review focussed on industry-leading providers that specialise in managing and servicing superannuation funds to ensure that together we can provide the best long-term outcome for our members. We have also considered how these providers can deliver strategic improvements to the fund through their emerging technologies, and new and additional services.

We will inform you of the final providers and any changes that affect your interaction with the fund in the upcoming months.

In the meantime, we will continue to deliver quality service to members with our current providers. Rest assured that our fund and board of directors, management, day-to-day operations and member service resources remain unchanged and committed to your best interests as a member of our fund. We all are committed to the successful transition of member and investment administration services.

## Member notices.

### 2019-20 Annual Report online

Our 2019-20 Annual Report is available to view or download from our website [oursuperfund.com.au](https://oursuperfund.com.au). Please contact us if you require a printed copy of the report.

Note: if you requested a printed copy of last year's report, we will automatically send you this year's report once available. Copies of annual reports from previous years are also available from our website.

### Insurer change of name

Insurance in Accumulate Plus is provided through an insurance policy we have with The Colonial Mutual Life Assurance Society (CMLA) (ABN 12 004 021 809). AIA Australia Limited (AIA) (ABN 79 004 837 861, AFSL 230043) has confirmed its intention to legally complete AIA's acquisition of CMLA through a statutory asset transfer under Part 9 of the Life Insurance Act 1995. AIA and CMLA will seek approval from the Federal Court of Australia to proceed with the Part 9 transfer. It is anticipated that the Court will hear the application in March 2021. On the Court's acceptance of the application, AIA, rather than CMLA, will be the insurer.

### Group Super's first Annual Member Meeting

We are holding our fund's first Annual Member Meeting on Wednesday 3 March 2021. The meeting will be held via online livestream, and a recording, meeting minutes and answers to questions will be available from our website [oursuperfund.com.au/member-meetings](https://oursuperfund.com.au/member-meetings) after the meeting has concluded.

### Update on Group Super board of directors

There have been some recent changes amongst the fund's board of directors. Chris Loong was re-elected as a member-elected director. Directors John Atkin and Kylie MacFarlane stepped down from the board at the end of their terms, and we thank them for their commitment to the fund and to our members' best interests. In particular, we'd like to acknowledge and commend Kylie on her contributions over 14 years with the board of our fund, and as Chair of our Member Services & Claims Committee since 2013. We also welcome Susan Allen as a new independent director to the board since January 2021. For more details on our board members, please visit our website.

This newsletter was prepared on 4 February 2021 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](https://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. GroupSuper/1592/0221