

Group Super News

Your member update



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Important update: Our merger with Australian Retirement Trust.

Our plan to merge with Australian Retirement Trust is still in progress following the signing of the Heads of Agreement, about which we notified members in June. The next stage in the merger process is the signing of the Successor Fund Transfer deed. We remain confident of a successful resolution and timely outcome and will keep members updated about the expected timing for later this year or early 2024. Please read the article "Our merger with Australian Retirement Trust: Where we are now" in this newsletter for more information.

A note from Rosemary Vilgan

Chair, Trustee Board



It is remarkable to think that a year has passed since my message to you in this annual publication. In that time, our fund passed the Your Future, Your Super performance assessment, implemented key changes to our diversified investment options, and have progressed well with our planned merger with Australian Retirement Trust announced in February. It has been another milestone year in the fund's history. While this last change will be transformational, what remains continuous and steadfast is our commitment to our members' best financial interests and their retirement outcomes.

Our merger with Australian Retirement Trust

We are making progress with the merger and have nearly completed the due diligence and other regulatory requirements. This involves both funds exchanging information and conducting a detailed and careful review to confirm that the proposed merger is in the best financial interests of all members. We anticipate a merger at the end of this year or early 2024.

We have received positive feedback from members on our regular email updates about the merger. We will continue these updates, keeping you informed of important highpoints. Closer to the merger date, we will send you detailed information of changes, new features and temporary limits on services during the merger period. Our merger hub has the latest information; please visit oursuperfund.com.au/merger.

Investment options after the merger

One of the more significant themes to emerge from members' questions about the merger is around investments. While Australian Retirement Trust is aligned with Group Super's investment style and philosophy, there are some key differences in our investment offerings for you to consider as we move closer to completing the merger.

For example, Australian Retirement Trust provides a choice of 19 investment options. To help you understand how Australian Retirement Trust invests members'

savings, our article "Investment risk profile changes after the merger" covers these differences, see pages 4 to 6.

Insurance update

Alongside its merger due diligence, Australian Retirement Trust reviewed the current Group Super insurance offering to ensure the future insurance offer for transferring Accumulate Plus members provides value and meets their needs.

Australian Retirement Trust requested proposals from a number of insurers to assess their insurance offering for transferring Accumulate Plus members as part of the merger. You can read more on page 3.

Thank you

My sincere gratitude goes to all who are continually committed to serving our members. I thank my fellow directors, the Trustee Services team and our valued service providers.

It is a privilege to look after the retirement savings of past and present Commonwealth Bank Group employees and their families. Most importantly, the trustee board thanks you, our members, for your continued support and trust, particularly as we navigate the proposed merger. I look forward to communicating with you further as we progress the merger of our fund.



Our merger with Australian Retirement Trust: Where we are now.

We remind members that the trustee considered several critical factors prior to making a decision to pursue a merger, including:

- the size of the Group Super fund,
- the importance of scale in delivering long term outcomes to members, and
- the required investment for the fund to remain competitive and the impact of that required investment on members' fees.

The decision to continue to pursue a merger was made only after all due diligence steps were taken to assure the trustee that the merger was likely to be in the best financial interests of members, and that members will

have equivalent rights to benefits in Australian Retirement Trust.

Our activities to merge with Australian Retirement Trust are still in progress following the signed Heads of Agreement, about which we notified members in June. The next stage in the merger process is the signing of the Successor Fund Transfer deed with the merger planned for later this year or early 2024.

We also note that the Commonwealth Government Guarantee should continue in Australian Retirement Trust for eligible members given that legislation to allow for the continuation has now been passed and received Royal Assent.

This applies only to current members of Divisions B, C, D, E and F who were members of the fund immediately prior to 19 July 1996.

More information



We will continue to send you regular communications via your preferred method. We recommend checking that your communication preferences are up to date in your Group Super Online account or in the Group Super App. You can read more on our website merger hub at oursuperfund.com.au/merger.

Insurance updates from the merger.



Concurrent with its merger due diligence process, Australian Retirement Trust reviewed the current Accumulate Plus insurance. This was to ensure the future insurance offer for transferring Accumulate Plus members provides value and meets members' evolving needs.

Australian Retirement Trust requested proposals from a number of insurers to assess the insurance offer it would make available to transferring Accumulate Plus members as part of the merger. We are able to share that the insurer will be AIA. AIA is also the current insurer of cover offered through Accumulate Plus.

In addition, and should the merger proceed, there is likely to be a reduction in premiums overall. While we are pleased with this potential outcome, we remind members that this will only be the case if the merger proceeds as planned.

Affordability of insurance is, and will remain, a key concern for us. Prior to the announcement of the merger, we were considering a number of insurance policy design changes to make cover more affordable, especially for members at older ages.

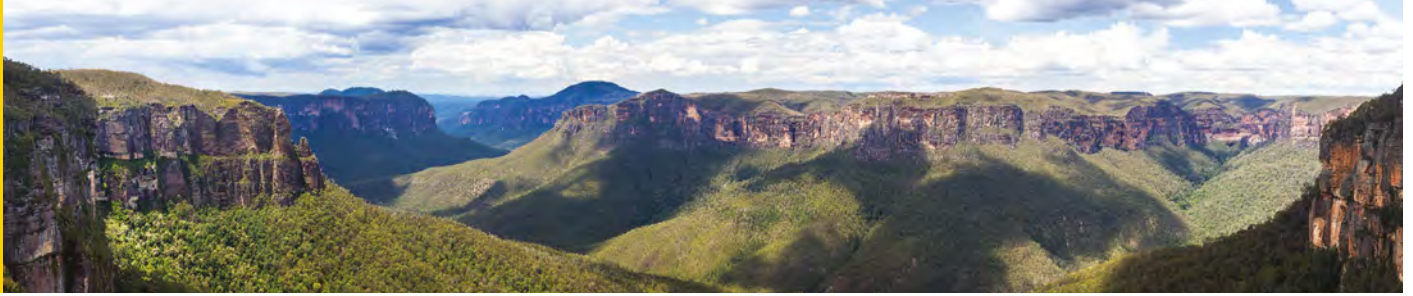
Design changes were also considered by Australian Retirement Trust, the CBA Group and AIA. The changes considered looked at options to automatically and reasonably reduce levels of cover and premiums at older ages of membership.



More information to follow

We will communicate with Accumulate Plus members about the new insurance arrangements as part of the merger when they are finalised. We will include details of changes to premiums and insurance policy design changes in Australian Retirement Trust. The information will contain what, if any, decisions or actions members may wish to make in regard to their insurance cover before the merger.

For more information on insurance cover in your account, visit oursuperfund.com.au/insurance.



Investment-related changes after the merger: What to expect.

The merger with Australian Retirement Trust brings some new and exciting possibilities for our members to consider when it comes to investing their super savings.

A key area of differentiation with Australian Retirement Trust is its scale. With a larger fund size and a larger pool of funds under management, it offers a wider range of investment options – 19 in total – to help members build an ideal investment position for their super that suits their risk appetite and investment goals.

Members will have more choice with their super savings after the merger. However, it is also prudent to consider the differences between the two funds' investment offerings and in particular, the differences to risk levels within the default investment options.

The choice investment options after the merger

Upon the completion of the merger, Group Super members who have made an investment choice will have their super moved to an equivalent option/s within *Super Savings*.

While we expect there to be some differences between the two funds' options, generally the options selected would have a reasonably similar risk profile. More information about equivalent investment options will be provided in the near future.

You can find out more about *Super Savings* investment options, including performance history and more about the default option, in the relevant product disclosure statements available on the website art.com.au.

Risk in super: A refresher

The merger will bring significant change, so it's good to consider some of the fundamentals of investing when it comes to your super. Risk appetite, or risk tolerance, generally means the willingness to accept a higher risk in the anticipation of a (potentially) higher rate of return. As a general rule of thumb, the higher the potential for an asset to increase in value, the higher the level of investment risk.

When investing your super, this also means that an investment option aiming for a higher return in the longer term is more likely to experience greater fluctuations in value during that period. These valuation movements can sometimes be negative, particularly in the shorter term. However with a longer investment timeframe those falls in value may be 'smoothed out' over time by subsequent increases in value.

How Australian Retirement Trust compares to Group Super

Australian Retirement Trust, through its Super Savings product, offers a wider range of investment options compared to Group Super.

The following includes a brief summary of Australian Retirement Trust's investment option menu. Please note the general advice warning at the end of this article and additional details from the Australian Retirement Trust PDS available on their website.

Australian Retirement Trust Super Savings		
Diversified options	Single asset class options	
<ul style="list-style-type: none"> • Lifecycle investment strategy (default MySuper option) • Growth • Balanced • Balanced Indexed • Socially Conscious Balanced • Diversified Alternatives • Retirement • Conservative 	Actively managed: <ul style="list-style-type: none"> • Shares • Australian Shares • Property • Diversified Bonds • Cash 	Index (passively managed): <ul style="list-style-type: none"> • Australian Shares – Index • International Shares – Index (hedged) • International Shares – Index (unhedged) • Emerging Markets Shares • Australian Property – Index • Diversified Bonds – Index

Members can choose up to 10 investment options from both the diversified options and/or any of the single asset classes. As part of the merger, on the transfer date members will be transferred from Group Super to an equivalent investment option. Further information on the investment options that would be used to transfer members' account balances will be provided closer to the merger date.



Investment-related changes after the merger: What to expect (continued).

The Australian Retirement Trust MySuper default investment option

The majority of our Accumulate Plus members are invested entirely in the default Balanced (MySuper) investment option, which may suit members seeking medium to high potential returns over the long term.

The Super Savings – Lifecycle Investment Strategy is Australian Retirement Trust’s default MySuper option. As the name suggests, it is a life stage-based investment option. Age may play a significant role in how members view investing their super. As members age generally their risk ‘appetite’ evolves to better match their current circumstances, particularly as retirement nears. To meet these potential changing positions on risk, the Lifecycle Investment Strategy option will automatically adjust the investment mix of a member’s super upon reaching certain age thresholds.

Members are invested in the Balanced Pool until age 55. From age 55 to 65 members’ investments are then

gradually transitioned, on a monthly basis, lowering the risk profile of their asset allocation as they approach age 65. This progression eventually results in most of their balance being invested in the Retirement Pool and a small allocation to the Cash Pool, see below.

Super Savings refers to ‘Pools’ as a way to separate options supporting the Lifecycle Investment Strategy from the individual Balanced, Retirement and Cash investment options.

How the MySuper investment options compare

Upon the transfer, members with account balances invested 100% in the Balanced (MySuper) option and are:

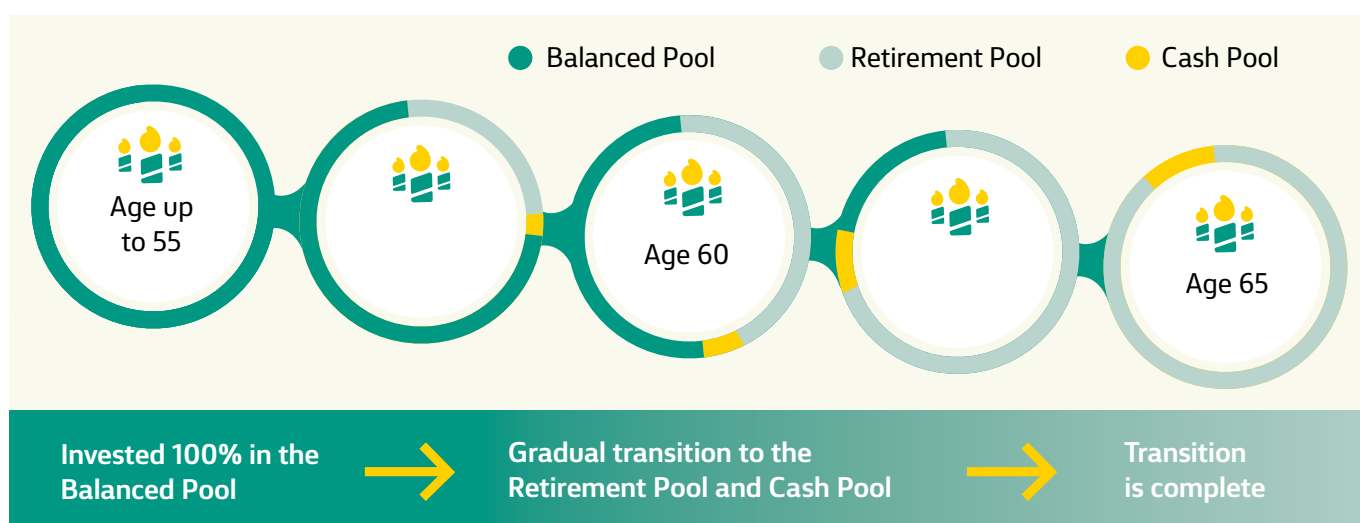
- under age 55 are set to experience a significant increase in growth asset investments
- aged around age 60 will have their account invested similarly to our current Balanced (MySuper) option
- aged 65 and older will see a significant increase in defensive asset investments.

We believe the Super Savings Lifecycle Investment Strategy investment option is designed to continue to enhance long term retirement outcomes for those members who move to Australian Retirement Trust.

More information

Members should refer to Australian Retirement Trust Super Savings’ product disclosure statements on its website to view the objectives of the investment options, and other related information such as Target Market Determinations. For general information, visit art.com.au/investments. You can view performance at art.com.au/performance.

For more information on Group Super investments, visit oursuperfund.com.au/investments. You can also call our Helpline on 1800 023 928 if you have additional questions about investments in your account.



Indicative image only. Read the Super Savings Investment guide available at art.com.au/pds for full details of how the Lifecycle Investment Strategy works.



Investment-related changes after the merger: What to expect (continued).

About the risk profile of the MySuper Lifecycle Investment Strategy

By 'risk', we are referring mostly to the investment strategy or mix of growth and defensive assets within the chosen option/pool. This influences the anticipated investment returns (also known as an 'investment objective'), volatility of returns and the expected number of years of negative returns over any 20-year period.

The risk profile of the Super Savings Lifecycle Investment Strategy is significantly different to our Balanced (MySuper) option, and changes over time in relation to members' ages.

The current Accumulate Plus MySuper approach uses a single diversified investment option, Balanced (MySuper), to help manage risk and achieve returns without defined changes to investment mix related to members' ages.

The current Super Savings Lifecycle Investment Strategy approach uses a combination of diversified investment pools moving a member's account balance through these pools over time.

This means that when you're younger, your super will be invested in more growth-based assets such as shares, and as you get older your investments will become progressively more invested in defensive-based assets.

Important: General advice warning

In relation to information provided concerning Australian Retirement Trust, this is general information only and does not take into account your personal objectives, financial situation or needs. You should refer to art.com.au and in particular the Product Disclosure Statements; Target Market Determinations and relevant investment guides. We provide these references for information only.

Neither Commonwealth Bank Officers Superannuation Corporation Pty Limited nor the Commonwealth Bank of Australia guarantees or is responsible for the performance of products issued by Australian Retirement Trust Pty Ltd as trustee for Australian Retirement Trust. If you have any questions on Australian Retirement Trust products, you can call them on 13 11 84.

Consider seeking financial advice

You should consider what these investment option changes may mean for your particular circumstances, preferences or risk tolerance. We recommend you consider advice from an authorised financial adviser when making decisions that can affect your financial future. You can also visit oursuperfund.com.au/advice for information.



2023 Federal budget: Impacts for super.

On 9 May 2023, Commonwealth Treasurer, Jim Chalmers, handed down the federal Budget. There are some changes on the way, but mostly not unexpected. As follows:

- In February this year, the Government announced a planned reduction in tax concessions, applicable if a Total Superannuation Balance (TSB) exceeds \$3 million and taking effect from 1 July 2025. Those with a TSB less than \$3 million will not be affected. The intention is to ensure that super concession arrangements are 'better targeted' in terms of the Government's objective of delivering income for retirement in an equitable and more sustainable manner.
- From 1 July 2026, payments of Superannuation Guarantee (SG) contributions will align with the frequency of salary and wage payments. Currently this is required only quarterly, but increasing SG payment frequency will give employees greater visibility and tracking of SG contribution payments and support them and the Australian Taxation Office in recovering any unpaid contributions more quickly.

More information

For more information on the 2023-24 federal budget announcements, visit budget.gov.au.

Member notices.

Changes to investment-related fees and costs effective 1 July 2023

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 disclosure of investment-related fee and cost estimates are likely to change each year.

The updated estimates of investment fees and costs and transaction costs for the 12 months to 30 June 2023 are outlined in Table 1, together with the prior year estimates for comparison.

These fees and costs have also been updated in our Reference Guide: Fees and other costs for Accumulate Plus, issued on 1 July 2023 and available from oursuperfund.com.au/pds.

Important notes to keep in mind:



- **Past costs are not a reliable indicator of future costs.** Investment fees and costs and transaction costs include components that vary from year to year and can't be calculated precisely in advance. The amount you pay in future years depends on the actual fees and costs we incur in managing the investment options in those years.
- **These are not the only fees and costs that may apply to your account.** For example, administration fees and costs are 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.

Table 1: Changes to estimates of investment fees and costs and transaction costs for the 12 months to 30 June 2023

Investment option	OLD		NEW		
	Estimated investment fees and costs for 12 months to 30 June 2022 (% of balance p.a.)	Estimated transaction costs for 12 months to 30 June 2022 (% of balance p.a.)	Estimated investment fees and costs for 12 months to 30 June 2023 (% of balance p.a.)	Estimated transaction costs for 12 months to 30 June 2023 (% of balance p.a.)	Estimated annual effect of these changes to fees and costs for a \$50,000 account balance
Conservative	0.33%	0.05%	0.36%	0.04%	\$10.00
Moderate	0.43%	0.08%	0.48%	0.06%	\$15.00
Balanced (MySuper)	0.52%	0.11%	0.54%	0.07%	-\$10.00
Growth	0.53%	0.11%	0.54%	0.08%	-\$10.00
Cash	0.10%	0.00%	0.11%	0.00%	\$5.00
Fixed Interest	0.24%	0.01%	0.26%	0.02%	\$15.00
Australian Shares	0.33%	0.13%	0.32%	0.10%	-\$20.00
International Shares	0.40%	0.08%	0.39%	0.07%	-\$10.00

New Accumulate Plus PDS and Reference Guides issued in the period

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.

On 1 July 2023 we published a new product disclosure statement (PDS) titled Member Guide for Accumulate Plus, along with updated Reference Guides. As well as the fees and costs changes already mentioned, other key changes relate to:

- key superannuation thresholds and tax rates from 1 July 2023
- strategic and target asset allocations for our diversified investment options, the Balanced (MySuper) option standard risk measure, and Growth option's investment objective in line with the update notices sent to members across March-April 2023.

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



Member notices (continued).

Changes to super legislation from 1 July 2023

From 1 July 2023 the following super changes came into effect.

- The superannuation guarantee rate for compulsory employer contributions increased to 11% and will increase by 0.5% each year until it reaches 12% in 2025.
- The lifetime low rate threshold for lump sum withdrawals for members between preservation age to age 59 increased from \$230,000 to \$235,000.
- The total superannuation balance cap was increased due to indexation, from \$1.7 million to \$1.9 million. Your total super balance determines your non-concessional contribution cap, as well as your eligibility to access bring-forward and carry forward contribution rules, spouse contributions and the super co-contribution.
- The general transfer balance cap, which determines the amount that can be transferred into and held in retirement-phase products, was indexed to \$1.9 million. Each person will have a personal transfer balance cap depending on when their first retirement-phase pension began.
- Effective 1 January 2023, the eligibility age for making downsizer contributions into super (up to \$300K for individuals, \$600K for couples) has been lowered to age 55, from age 60.

Update on Group Super board and committee members

Member-elected director Stephen Halmarick's existing 3-year term has been extended to a 4-year term. The board considers it is in the best financial interests of members for Stephen to remain as director in light of the proposed merger.

Committee member Daniel Nott resigned from the Member Services & Claims Committee on 24 March 2023 and we thank him for his service and contribution to the fund.

For more details on our board and committee members, please visit oursuperfund.com.au/aboutus.

Group Super's third Annual Member Meeting

In March 2023, we held our Annual Member Meeting (AMM) via online livestream, providing all members with an opportunity to hear from our board and executive team on our fund's performance, outlook and fund strategy, and ask questions.

The meeting minutes and published questions/answers are available from oursuperfund.com.au/member-meeting.

2022-2023 Annual Report online



Our 2022-2023 Annual Report will be available from our website oursuperfund.com.au from October. Please contact us if you require a printed copy. 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.

Accumulate Plus members



oursuperfund.com.au



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(AEST/AEDT) Monday to Friday



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This newsletter was prepared on 22 August 2023 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. Before making any decisions 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. The target markets for our products can be found within the product's Target Market Determination, available at oursuperfund.com.au/tmd. You should also consider seeking professional financial advice tailored to your personal circumstances from an authorised financial adviser.

Taxation considerations are general and based on present taxation laws and may be subject to change. The trustee is also not a registered tax (financial) adviser under the Tax Agent Services Act 2009. You should seek tax advice from a registered tax agent or a registered tax (financial) adviser before making a decision based on this information or if you intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law.

Please also remember that past performance is not a reliable indicator of future performance.

In relation to any information supplied in relation to the Australian Retirement Trust, you should refer to art.com.au and other ART documentation as required. The warnings made above in relation to the fund, also apply in relation to the Australian Retirement Trust.