

# Group Super News

Your member update



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# A note from Rosemary Vilgan

Chair, Trustee Board



As we draw closer to the end of 2022, it has been yet another eventful year on many fronts. The COVID pandemic continues to affect everything from healthcare to world economies. The Russian invasion of Ukraine sadly shows little sign of resolution. And here at home we had a change in federal government with the May 21 election. For our fund, this year has brought its challenges along with its rewards.

We transitioned to our new administrative service provider Mercer Outsourcing (Australia) Pty Ltd and our master custodian State Street Australia Limited in March this year. We thank you for your patience during the limited service period at that time. Our fund's new administration arrangements are fully operational and members have access to helpful new resources. These include the Group Super App, an online account that offers a new retirement income simulation and projection, and our refreshed advice offering, which also includes digital advice. You can read more on page 4.

## Your Future, Your Super annual performance assessment

The Your Future, Your Super (YFYS) annual performance assessment was introduced to help improve performance and transparency within the super industry. The performance test for FY 2021-22 has taken place, and I'm pleased to say our MySuper option has passed the performance test.

Members' best financial interests are our priority, and after the disappointing results of last year's performance test we continued to focus on long term member outcomes with the evolution of our diversified investment strategy. These changes, the market environment, changes to fees and some investment benchmarks, all helped to better meet the performance test requirements. You can read more about the assessment results on page 4.

## Balancing future plans with present challenges

In previous Accumulate Plus newsletters, we talked about planned changes to our Balanced (MySuper) investment option regarding a shift to a 5-step lifecycle arrangement.

However, the current economic environment of volatile investment markets combined with the recent volume of change our members have experienced in the last 12 months has given the Board cause to pause. We are very mindful of the level of

disruption these events have caused for our members.

The Lifecycle investment option default requires the introduction of a significant increase to the allocation of higher risk-return growth assets for the majority of members. Together with the significant changes the transition of service providers has brought about for our members, the Board has reconsidered the timing of the initiative. We have decided to defer the implementation of a lifecycle default, as now is not the right time to proceed.

If you'd like to discuss your super and your investment options, we encourage you to talk to an authorised financial adviser. If you want to discuss your account in our fund, you can call the intra-fund advice team<sup>1</sup> at no additional cost, or you may be able to pay for advice from an adviser of your choice from your Accumulate Plus account. Read more about our advice options for members at [oursuperfund.com.au/advice](https://oursuperfund.com.au/advice) and our new e-advice service on page 5.

## Thank you

As always, but this year more than ever, my sincere gratitude goes to all who are committed to serving our members. I thank my fellow directors, the Trustee Services team and our past and current service providers in helping to achieve both a complex transition and our successful YFYS assessment result.

Most importantly, we thank you our members, for your support and your patience while we've undergone significant change over the past year – it is a privilege to look after your savings for retirement.

<sup>1</sup> Advice is provided by Mercer Financial Advice (Australia) Limited (ABN 76 153 168 293, AFSL 411766).

# Recent investment market volatility.



Diversified investment options such as conservative, balanced or growth-style options are largely invested across multiple asset classes and geographies.

This 'spread' of investments is designed to reduce an option's exposure to adverse market events. However, the recent market downturn has impacted most asset classes across the board, with diversified option returns having generally suffered over the shorter term as well.

Notably, recent high inflation has resulted in actual or expected interest rate rises, weakening both share and bond markets at the same time. This combination has lowered returns for all our diversified options, including our conservative-style options.

Conservative-style options, like ours, normally have a higher bond (or fixed interest) allocation than balanced or growth-style options and are usually likely to be less severely impacted by share market downturns. However, this year has seen some of the worst performance in bond markets on record, coinciding with volatile share market performance, therefore

impacting the performance of our conservative options. Interest rates have been at historic or near historic lows and there have been intense shifts in bond yields as a result of market expectations of multiple official interest rates hikes to curb inflation.

Since the start of this year, in anticipation of future interest rates rises and based on central bank announcements and policy setting, many of the expected rate rises have already been priced into the current bond capital values, which helps to explain the significant fall in the fixed interest market.

## Meeting the challenge

Whether an investment option is suitable to your needs depends on many factors specific to you, including your willingness or capacity to take on risk and/or short term volatility, when you plan to retire, and your personal circumstances. It's good to understand

the option(s) your super is invested in, how those options invest and consider seeking advice from an authorised financial adviser.

To help you understand the investment choices you have for your account with us and choose those that best suit your needs you can read our Reference Guide: Investments, available at [oursuperfund.com.au/pds](https://oursuperfund.com.au/pds).



The cyclical nature of markets means short term rises and falls in super are to be expected, with long term performance being the more important focus for super.

## Help choosing your investment option/s



If you'd like some advice about choosing from our investment options, you can call us on 1800 023 928. Ask to speak with a member of the advice team<sup>1</sup> about investment choices for your Group Super account at no additional cost. You can also access advice online by logging in to your account via [oursuperfund.com.au/login](https://oursuperfund.com.au/login) and select Advice Tools from the opening screen.

# Your Future, Your Super performance test.

The Your Future, Your Super (YFYS) annual performance assessment is designed to maximise the retirement savings of all Australians.

Through increased transparency of using a standardised performance measurement, the performance test aims to help members make informed decisions about the performance of who manages their superannuation.

The performance test assessed the 8-year net return for our MySuper product (i.e. our Accumulate Plus Balanced (MySuper) option) as at 30 June 2022. Our result was measured against a benchmark determined

by legislation and calculated by the Australian Prudential Regulation Authority (APRA).

We are pleased that, along with changes to our fee structure, maintaining our commitment to and continually improving the structure of our diversifying investment strategies, contributed to passing this year's performance test. This is particularly the case given the investment market conditions experienced over the year.



## More information



Further details on the YFYS performance test result and what it means for our fund, please visit [oursuperfund.com.au/about-us/news](https://oursuperfund.com.au/about-us/news). You can also call us on 1800 023 928 if you have additional questions.

# Our new service providers.

On 1 March 2022, we transferred all of Group Super's member administration to Mercer Outsourcing (Australia) Pty Ltd. We also appointed State Street Australia Limited as our master custodian and investment administrator, and Mercer Financial Advice (Australia) Pty Ltd as our financial advice provider.



These were significant changes, designed to streamline administration, optimise business operations and importantly to take advantage of new features and technology to maximise our services to members. As expected with such a significant change, there were some challenges along the way, but these have been resolved or are near resolution.

Members are more active on Group Super Online, and response to our new Group Super App has been positive. Members are also taking advantage of the readily accessible financial advice services<sup>1</sup>. We've also had good feedback on our latest planning resources – the Retirement Income Simulator and Risk Attitude Quiz.

You're also able to access our new digital 'e-advice' self-service tool<sup>1</sup> through your Group Super Online

account, which you can read more about in "E-advice now available" in this newsletter.

You'll now receive a single member benefit statement in the second half of the calendar year and no longer receive a statement in the first half of the year. Your statement information will have the same details as before, but will cover the 12-month period ending 30 June each year, beginning with this year (30 June 2022).

Communications through electronic channels are important in providing members with prompt information. If we have a valid email address for you, or if we receive an email address for you in the future, we'll automatically provide you with electronic communications. If you'd still like to receive certain communications via paper post, you can choose to do so.

# Proof of identity:

## Helping protect your super.

Identifying our members is an important part of our obligation to keep your account safe and to prevent illegal activity, such as anti-money laundering and counter-terrorism financing.

When you call us, we'll ask you some questions so that we can verify your identity against our records. We're also required by law to receive certified copies of your proof of identity documentation before we can process certain transactions. Certified copies must be original and provided by post.

You'll be asked to provide certified proof of identity documents before we can process a request for a payment made outside of the super system.

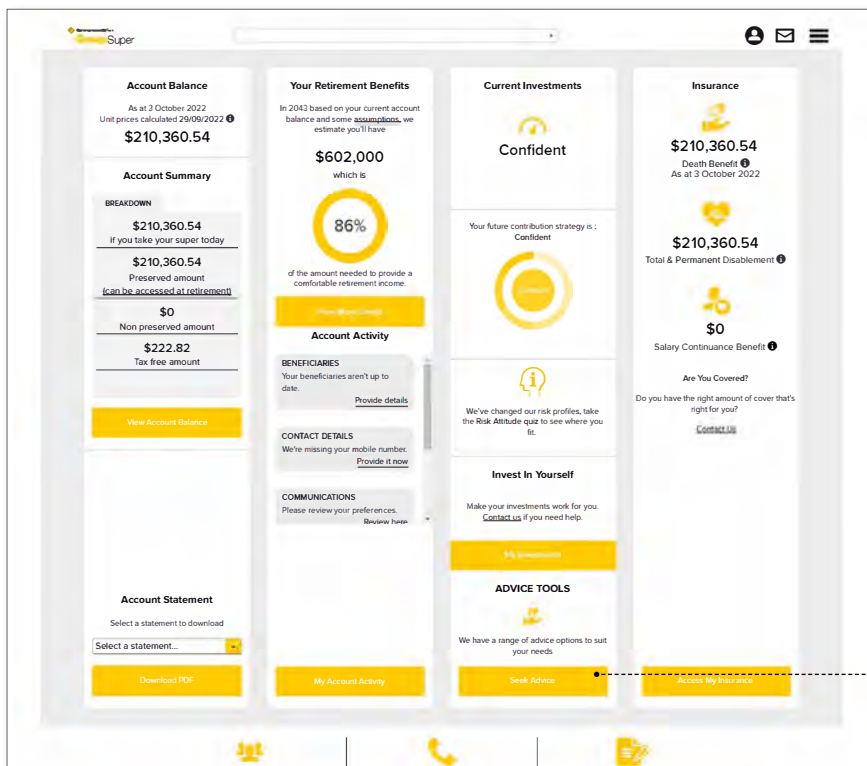
There are certain individuals qualified to certify documentation – to find out more, download our 'Who can certify documents' fact sheet at [oursuperfund.com.au/factsheets](https://oursuperfund.com.au/factsheets).

These processes are in place to safeguard your super from fraudulent and illegal activities. They may feel like a brief inconvenience, but over the long term, they go a long way in helping to protect your savings.



## E-advice now available!

Traditionally financial advice is offered in person or over the phone. Many recognise advice may help in enhancing their financial future, but may find either time-consuming or expensive to undertake.



That's why, in addition to our existing financial advice services<sup>1</sup>, we are pleased to offer a new way to access speedy financial advice at a time that suits you, at no additional cost.

Our new e-advice service<sup>1</sup> is now available to members via their Group Super Online account! Once logged in and on your dashboard, go to 'Current Investments'. At the end of this section under ADVICE TOOLS there is a yellow 'Seek Advice' button. Click to get started.

→ Log into your account today to see if e-advice might be appropriate for you!

# Member notices.

## Changes to investment-related fees and costs effective 1 July 2022

Super funds are required to disclose certain information about fees and costs incurred in the previous financial year. The updated estimates of investment fees and costs and transaction costs for the 12 months to 30 June 2022 are outlined in the following table.

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 and/or insurance premiums (if any). 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, available at [oursuperfund.com.au/pds](https://oursuperfund.com.au/pds).

## Changes to estimates of investment fees and costs and transaction costs for the 12 months to 30 June 2022

Investment option	OLD	NEW		Estimated annual effect of these changes to fees and costs for a \$50,000 account balance
	Estimated investment fee (total) for 12 months to 30 June 2021 (% of balance p.a.)	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.)	
Conservative	0.30	0.33	0.05	\$40
Moderate	0.41	0.43	0.08	\$50
Balanced (MySuper)	0.52	0.52	0.11	\$55
Growth	0.54	0.53	0.11	\$50
Cash	0.06	0.10	0.00	\$20
Fixed Interest	0.20	0.24	0.01	\$25
Australian Shares	0.44	0.33	0.13	\$10
International Shares	0.44	0.40	0.08	\$20

Changes to disclosure requirements mean that investment fees and costs and transaction costs are disclosed separately for the 12 months to 30 June 2022, compared with a single investment fee (total) for the prior period.

These fees and costs are in our Reference Guide: Fees and other costs for Accumulate Plus, issued on 30 September 2022 and available from [oursuperfund.com.au/pds](https://oursuperfund.com.au/pds).

### Administration asset based fee as at 30 June 2022

Accumulate Plus members as at 30 June 2022 received a 3-month fee rebate of the administration asset-based fee of 0.12% for the period 1 April to 30 June 2022.

## Changes to strategic asset allocation ranges

Effective the strategic asset allocation ranges for all of the Diversified investment options changed during the course of FY21-22, please refer below:

Investment option	Fixed Interest & Cash	Alternatives	Real Assets	Multi-Assets	Shares
<b>Conservative</b>					
As at 1/7/21	67% (62-72%)	7% (4-10%)	8% (3-13%)	8% (5-11%)	10% (7-13%)
From 1/3/22	67% (52-82%)	7% (0-14%)	8% (0-16%)	8% (1-15%)	10% (0-20%)
<b>Moderate</b>					
As at 1/7/21	42% (37-47%)	10% (6-14%)	14% (7-21%)	14% (10-18%)	20% (16-24%)
From 1/3/22	42% (27-57%)	10% (0-20%)	14% (4-24%)	14% (6-22%)	20% (10-30%)
<b>Balanced</b>					
As at 1/7/21	17% (13-21%)	15% (10-20%)	18% (9-27%)	20% (15-25%)	30% (25-30%)
From 27/9/21	17% (7-27%)	15% (5-25%)	18% (6-30%)	20% (10-30%)	30% (20-40%)
From 31/3/22	11% (1-21%)	14% (4-24%)	18% (6-30%)	19% (9-29%)	38% (28-40%)
<b>Growth</b>					
As at 1/7/21	8% (5-11%)	15% (10-20%)	19% (8-30%)	18% (13-23%)	40% (33-47%)
From 1/3/22	8% (0-18%)	15% (5-25%)	19% (7-31%)	18% (8-28%)	40% (25-55%)

These changes are in the Member Guide (PDS) and Reference Guide: Investments from 1 March 2022 and in the Update Notice issued on 28 April 2022.

## Changes to super legislation from 1 July 2022

From 1 July 2022 the following super changes came into effect.

- The work test on non-concessional contributions was repealed, allowing those aged between 67-74 to top up super without being required to satisfy the work test.
- Voluntary contributions of up to \$50,000 can be released to help more first home buyers through the First Home Super Saver Scheme (FHSSS). Voluntary contributions made from 1 July 2017 can count towards the amount released.
- The eligibility age for making downsizer contributions into super (up to \$300K for individuals, \$600K for couples) has been lowered to 60, down from 65.

## Group Super's second Annual Member Meeting

In February 2022, we held our second Annual Member Meeting (AMM). The meeting minutes and published questions/answers are available from [oursuperfund.com.au/member-meeting](https://oursuperfund.com.au/member-meeting).

## Changes to the Moderate and Balanced options

Effective 1 March 2022, the investment risk and minimum suggested investment timeframes changed for the Moderate and Balanced options. The table below shows the Standard Risk Measure and minimum suggested investment timeframe for the Moderate and Balanced Options pre-1 March 2022 and from 1 March 2022.

Option	Pre 1 March 2022 Investment risk	Effective from 1 March 2022 investment risk
<b>Moderate</b>	Standard Risk Measure of 4 – Medium A negative annual investment return may be expected for 2 to less than 3 years in every 20 years Minimum suggested investment timeframe of medium to long term – 5 years or more	Standard Risk Measure of 3 – Low–Medium A negative annual investment return may be expected for 1 to less than 2 years in every 20 years Minimum suggested investment timeframe of medium to long term – 3 years or more
<b>Balanced</b>	Standard Risk Measure of 5 – Medium–High A negative annual investment return may be expected for 3 to less than 4 years in every 20 years Medium to long term – 5 years or more	Standard Risk Measure of 4 – Medium A negative annual investment return may be expected for 2 to less than 3 years in every 20 years Medium to long term – 5 years or more

These changes were updated in a new Member Guide (PDS) and Reference Guide: Investments from 1 March 2022 and via an Update Notice issued on 28 April 2022.

## New Accumulate Plus PDS and Reference Guides issued in the period

It's important to 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.

Effective 1 March 2022, we issued a new Member Guide for Accumulate Plus' product disclosure statement (PDS). As well as the investment option changes mentioned, the other key changes also included:

- Updated content to reflect process changes to Group Super's member administration as a result of the transfer to Mercer Outsourcing (Australia) Pty Ltd

- Effective 1 March 2022, the increase in Death and Total and Permanent Disablement insurance premiums, and a decrease in Salary Continuance cover. The definition of Total and Permanent disablement was improved to be more inclusive of members non-work status.

In September 2022 we issued updated Accumulate Plus Reference Guides (RG), as follows:

- RG: Contributing to your super – to reflect legislative/tax-related changes to super effective 1 July 2022
- RG: Fees and other costs – to reflect the updated investment related fees and other costs estimates effective 1 July 2022

- RG: How super is taxed – to reflect legislative/tax-related changes to super effective 1 July 2022
- RG: General information – to reflect new administration process to manage minimum withdrawal payments effective 30 September 2022
- RG: Withdrawing your super – to reflect new administration process to manage Anti-Money Laundering and Counterterrorism Financing requirements as well as minimum withdrawal payments effective 30 September 2022.

→ Copies of these documents are available by calling us or from [oursuperfund.com.au/pds](https://oursuperfund.com.au/pds).

# Our retirement income strategy.



Group Super has a clear purpose: to help members towards a better retirement and provide members with confidence along the journey.

Understanding our members and their needs before and during retirement is key, and as part of this important work, we have implemented a Retirement Income Strategy (Strategy).

## What the Strategy aims to achieve

The Strategy is focussed on members who are retired or who are approaching retirement<sup>2</sup>. Its goal is to achieve and balance the following retirement income objectives:



- 1 Maximise income** – to maximise expected retirement income<sup>3</sup> over the period of retirement.
- 2 Manage risks** – to manage expected risks (e.g. longevity, inflation, market volatility) to the sustainability and stability of a member's retirement income over the period of retirement<sup>4</sup>.
- 3 Access funds flexibly** – to have flexible access to expected funds over the period of retirement.

We aim to support members who are retired or who are approaching retirement by recognising different members need different levels of support, and ensuring current services and products offered to our members approaching retirement and in retirement are effective in helping them meet the three objectives above. Where appropriate, we aim to enhance or add to our current service and product offerings to address any needs identified to improve retirement outcomes for members, including for different sub-groups within our membership.

→ For more information on our Strategy visit our website, and while you are there visit [oursuperfund.com.au/retirement](https://oursuperfund.com.au/retirement), our 'Retirement hub' containing articles, helpful links, calculators and information on how to obtain financial advice.

<sup>4</sup> Period of retirement is defined as the 'period of time commencing when a member first commences a Retirement Access pension or Defined Benefit pension, continuing until the member dies or otherwise leaves the fund'.

## Accumulate Plus members



[oursuperfund.com.au](https://oursuperfund.com.au)



**1800 023 928**  
between 8am and 7pm  
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