

**“OUR FUND HAS HAD ANOTHER SUCCESSFUL YEAR, AND HELPING MEMBERS LIKE YOU ACHIEVE POSITIVE OUTCOMES FOR YOUR FUTURE FINANCIAL WELLBEING REMAINS OUR CORE FOCUS.”**



A note from Rosemary Vilgan,  
Chair, Trustee Board

In November 2017 I was honoured to have been appointed to the role of Chair of the trustee board of Commonwealth Bank Group Super. This was after joining the board as an independent director in February 2017.

My appointment followed the resignation of Neil Cochrane, the board’s Chair for the last eight years. Under Neil’s stewardship the fund maintained a strong and competitive outlook, and upheld our commitment to positive member outcomes.

My fellow directors and I look forward to continuing on this path, and are grateful for Neil’s guidance and support. We wish him happiness and success for the future.

## FOCAL POINTS OF 2017-18

The board and the management team are dedicated to evolving and developing the fund to better meet members’ changing needs.

### From the fund

The year was another active one meeting regulatory and legislative changes including changes to fee disclosures and embedding the significant changes to retirement pensions, contribution caps, total super balances, and transfer balance caps from 1 July 2017.

An extensive review of the fund’s insurance arrangements enabled us to provide more cost-effective cover to more members from 1 October 2017. In March 2018 we also adopted the industry’s new *Insurance in Superannuation Voluntary Code of Practice*, which you can read more about on page 4.

This year we saw and spoke to more members than ever before. This was mostly through our general advice service and seminar program. It is pleasing to note that thousands of our members have discussed their super queries with us. Seminars were held across several locations in Sydney and we will be visiting Brisbane, Melbourne and Perth soon where we will help members like you maximise your super and contribute to your financial wellbeing.

The selection of new investment managers and directly owned assets has been undertaken on the basis of their

ability to achieve a slightly improved level of net performance while providing a smoother, less volatile return experience for members. We remain of the belief that it will be a forward-looking lower return environment, and are committed to providing consistent returns that meet investment objectives over the longer term.

## Measures to strengthen member outcomes

The spotlight in the superannuation industry is on strengthening the industry’s focus on prioritising and improving member outcomes, and rightfully so. The Australian Prudential Regulation Authority (APRA) aims to lift industry practices and consistency in developing and tracking strategic business plans and to require funds to annually assess member outcomes. New standards will incorporate expense management, net investment performance against industry peers and measure of value and quality of member outcomes. We welcome this new set of standards, as they will further advance the industry’s placement of members at the heart of a fund’s strategic focus.

## LOOKING AHEAD

As we begin a new financial year, our commitment to achieving the best possible member outcomes remains unwavering. It is in this spirit that we aim to not only provide you with the support, guidance and information you need to manage your super, but importantly to strive for improved stability of investment returns in a challenging market environment.

## THANK YOU

I would like to take this opportunity to thank my fellow directors, including former directors Neil Cochrane and Deborah Wixted, for their commitment to members. In addition, I know all directors would share my appreciation for the quality work done by Trustee Services, led by Doug Carmichael, who day to day manage the operations of the fund.

Looking after your super is a genuine privilege. Through the support and dedication of the fund’s executive management and their teams, our administrators, fund managers and service providers, we continue our firm commitment to helping you achieve financial wellbeing.

## READ MORE INSIDE YOUR NEWS UPDATE...

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# NOTES FROM THE FEDERAL BUDGET

## Federal Budget 2018-19 announced

On 8 May 2018, Federal Treasurer Scott Morrison handed down his third federal budget. It contained several expected measures, and some new ones.

For super the reforms announced continue the focus on better member outcomes, and importantly are designed to protect smaller superannuation balances. In a time when so many super members are in younger age brackets, safeguarding smaller balances can be a significant aid in building up savings to take advantage of compounding over time – ultimately becoming a ‘net benefit’ for members upon retirement.



The areas of significance for super included:

- ◆ The Australian Taxation Office (ATO) will more proactively move a member’s dormant super account money into their active account to assist with bringing their super together.
- ◆ Members under age 25, members with a balance below \$6,000 and ‘inactive’ members will not continue to be provided with insurance, unless they choose to opt in.
- ◆ A ban on any exit fees if a member wishes to leave a fund. (Note: Commonwealth Bank Group Super does not charge any exit fees).

- ◆ A cap on fees for super accounts with a balance of less than \$6,000.
- ◆ Allowing high income earners with multiple employers to nominate income from certain employers not be bound by the Superannuation Guarantee (SG), so they do not end up breaching the concessional contributions cap.
- ◆ For people aged 65-74 and with super balances below \$300,000, a limited one-year exemption from the work test for voluntary super contributions.

It is important to keep in mind that these measures are proposals only, and have not yet been passed into law.

## Reminder: Reducing pressures on housing affordability

### First Home Super Saver scheme

The government has introduced a new First Home Super Saver (FHSS) scheme to help first home buyers to save money for a deposit more quickly by using the super system.

Under this scheme, you can apply to the ATO to release up to \$30,000 of any voluntary contributions you have made to your super account since 1 July 2017 in order to purchase a home. Note: You cannot access any contributions your employer has made to your super under the FHSS scheme.





Some eligibility rules apply for this scheme and the ATO must have released an FHSS amount to you before you sign a contract to purchase or construct residential premises; you will not be eligible for an FHSS release if you apply after a purchase.

When making additional contributions to your super, you should always remember that caps apply before you incur additional tax.

For more information on the FHSS scheme, refer to 'Reference Guide: Access your super' available from [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets).

### Downsizing reforms

New super contribution rules from 1 July 2018 allow you to give your super a boost if you're selling your primary residence. This is known as a 'downsizer contribution'.

Providing you're 65 or older, you may be eligible to make a downsizer contribution of up to \$300,000 from the proceeds of the sale (couples can generally contribute separately, up to \$600,000 combined). Some other eligibility conditions apply. This contribution will not count towards your contribution caps and can be made regardless of your total super balance at the time.

A downsizer contribution will, however, be included when your total super balance is re-calculated on 30 June at the end of the financial year you make the contribution, which may affect your contribution caps and eligibility for some types of super entitlements in the following financial year.

It will also count towards your transfer balance cap when you move your super savings into retirement phase. Downsizer contributions are not tax deductible and will be taken into account for determining eligibility for the age pension.

For more information on downsizer contributions, refer to 'Reference Guide: Boost your super' available from [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets).

### Reminder: Taxed earnings on Transition to Retirement Income Streams (TRIS)

From 1 July 2017 investment returns applied to an existing or new TRIS account are no longer tax-free, becoming taxed in the same way as super in the accumulation phase – generally at a rate of 15%. This tax is not deducted directly from your account balance but deducted from the investment return for the investment option. For more information, refer to the member booklet for Retirement Access, available from [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets).

If you have any questions about current or past federal budget measures, you can visit the government's budget website at [www.budget.gov.au](http://www.budget.gov.au) for more information.



## ADOPTING THE NEW INSURANCE IN SUPERANNUATION VOLUNTARY CODE OF PRACTICE

To help insurance customers better navigate and feel more comfortable with the process, a cross-industry working group has developed the new *Insurance in Superannuation Voluntary Code of Practice* (the Code). When adopted by funds, the Code requires them to commit to high standards when providing insurance to members of super funds.

We believe in making the insurance and claims process member-focussed, which is why Commonwealth Bank Group Super is proud to adopt the Code.

Key elements where standards of the Code will apply:

- ◆ insurance offered on an automatic basis
- ◆ making claims and what to expect
- ◆ complaints processes
- ◆ simpler insurance communications.

Our core philosophy is about attaining the best possible outcomes for members, and we're continuing to work on our policy features to ensure we are supporting members like you. Adopting the Code as a guiding principle is a natural step in this direction and an example of how we are working towards achieving our goals for positive member outcomes.

You can find out more details about our adoption of the new Code on our website: [oursuperfund.com.au/about-us/important-disclosures/insurance-code-of-practice](https://oursuperfund.com.au/about-us/important-disclosures/insurance-code-of-practice).



## CONTINUE TO PROTECT ONE OF YOUR MOST IMPORTANT ASSETS

While employed by the Commonwealth Bank Group it's likely you're covered under the CBA Employee Income Protection policy (CBA EIP). But you need to remember that if you leave the Group, this cover will cease within 90 days.

To make it easier for you to keep this type of cover, you can apply to transfer your CBA EIP cover to your Accumulate Plus account without having to provide additional medical evidence to the fund's insurer.

### Terms and conditions apply – for more information:

- ◆ Refer to 'Reference Guide: Insurance Cover (Salary Continuance)' available from [oursuperfund.com.au/memberbooklets](https://oursuperfund.com.au/memberbooklets)
- ◆ Call us on 1800 023 928 (8am to 7pm AEST/AEDT), Monday to Friday)

### To transfer CBA EIP cover into Accumulate Plus

- ◆ Visit our 'How do I...?' page at [oursuperfund.com.au/transfercbaeip](https://oursuperfund.com.au/transfercbaeip),  
OR
- ◆ Complete our 'Request to transfer cover from CBA Employee Income Protection policy (CBA EIP)' available from [oursuperfund.com.au/forms](https://oursuperfund.com.au/forms).

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## NEED SOMEONE TO TALK TO ABOUT YOUR SUPER?

Sometimes the notion of super and planning for the future can seem a little overwhelming, but talking to someone about your circumstances and getting the right advice can go a long way in helping you take control of any uncertainty.

We have several ways to help you have these conversations, whatever stage of life you're in, and we've created some helpful videos which you can find on [oursuperfund.com.au](https://oursuperfund.com.au) under 'Help & advice options > Seeking financial advice'.

You also have the option to speak to the Advice team\* about certain options for your account in our fund or to have the fees for advice about your account in our fund **paid from your account balance, and not from your pocket.** For more information, including terms and conditions, visit [oursuperfund.com.au/advice](https://oursuperfund.com.au/advice).



## TWO OF OUR MEMBERS RECENTLY MET WITH THE ADVICE TEAM\* ... SEE WHAT THEY HAD TO SAY ABOUT THEIR EXPERIENCE!

*"After a trip overseas, I thought I should really check on my super and insurance. It had been a couple of years and I wanted to review to make sure my super was working as hard as it could. Working in the financial planning industry I went in with fairly high expectations, and in the end I had nothing to worry about – they were knowledgeable, made sure all of my questions were answered and made me feel very comfortable in our conversations. I'd recommend getting financial advice to anyone, especially younger people who might not know what's available and how much it can help their future. **There's so much value in getting financial advice – I only wish I'd done it sooner!**"*

**Wendy, 29**

*"I initially contacted the Advice team for help with my super, and from there we discussed my circumstances and what's important to me. So we looked into my insurance and beneficiaries, along with my super investment allocation, and when I was told the advice about my super and insurance was at no cost, I thought that was great. The process was quick and easy, and I was always encouraged to call if I had any questions. But what was **most important to me was knowing I could trust the adviser – they helped highlight things I overlooked and really cared about my situation.** The Advice team is a great introduction to financial advice – particularly if you're younger and have lots of time ahead of you to make the most of your super. But really, getting advice helps anyone, at any age."*

**Arrin, 37**

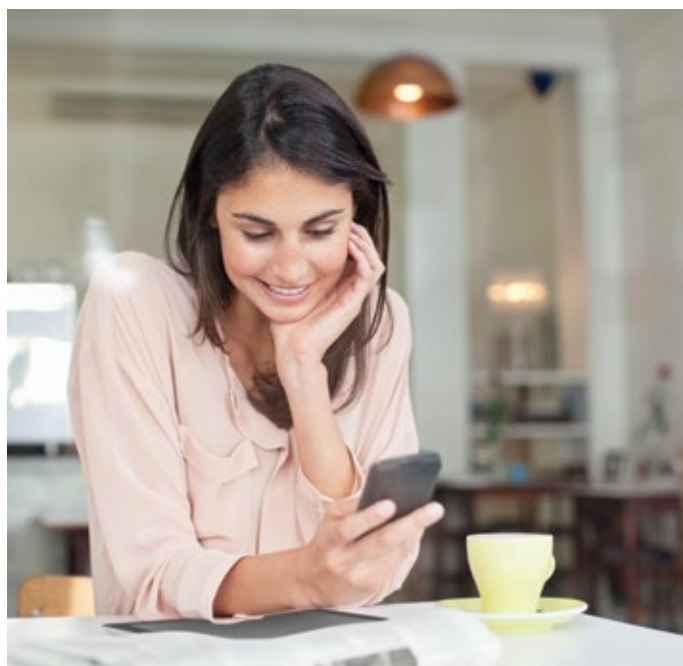
\*Advice relating to Accumulate Plus and Retirement Access is provided by the Advice Essentials team, operating under Commonwealth Financial Planning Limited (ABN 65 003 900 169, AFSL 231139). Advice relating to our Defined Benefit divisions is provided by Mercer Financial Advice (Australia) Limited (ABN 79 153 168 293, AFSL 411766).



## UPGRADING YOUR ONLINE MEMBER EXPERIENCE

### Search for your super in real time right now!

If you're keen to bring your super together, now there's a simple way to do it all online. Simply log into your account at [oursuperfund.com.au/login](https://oursuperfund.com.au/login), and in your dashboard you'll see a new 'Consolidate' button. Once you click on this, and provided we have your TFN and mobile number on file, a search is performed in real time to locate your other super. With a few more clicks you can choose to consolidate this found super into your Accumulate Plus account. Easy!



### Password resets now available online

Previously, resetting your password for your FirstNet account online involved calling us and arranging for a new password to be mailed to you via post. Now there is no need to call, no need to wait – as long as we have your mobile number, you can reset your password instantly online. Simply log in to your FirstNet account at [oursuperfund.com.au/login](https://oursuperfund.com.au/login) to find out more.

## MEMBER NOTICES

### New Accumulate Plus PDS and Reference Guides issued 1 July 2018

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.

Effective 1 July 2018, we issued a new product disclosure statement (PDS) titled 'Member Guide for Accumulate Plus'. The key changes include:

- ◆ Updated content on investment fee estimates
- ◆ Inclusion of downsizer contributions
- ◆ Inclusion of FHSS scheme

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

### 2017-18 Annual Report online

Our 2017-18 Annual Report will be available to view or download from November 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.

### Changes to fees and costs

From 30 September 2017, super funds are required to disclose additional information about fees and costs. One of the key changes was the requirement to report figures based on fees and costs incurred in the previous financial year. This means that investment-related fees and costs estimates will generally change each year.

The investment fees and costs for Accumulate Plus have been updated in the new Product Disclosure Statement (PDS) and 'Reference Guide: Fees and other costs' issued on 1 July 2018. The new figures are also shown in Table 1 on page 7.

For comparison, the estimates included in the previous PDS and Reference Guide issued on 30 September 2017, which are estimates for the 12 months to 30 June 2017, are set out in Table 2 on page 8.

**Important note:** Please remember that past costs are **not** a reliable indicator of future costs – refer to the boxed note on page 7 for more information.

**Table 1: Estimates of investment fees and related costs for the 12 months to 30 June 2018**

Investment option	Estimated investment fee (% p.a.)			Estimated transaction costs (% p.a.)			Estimated borrowing costs (% p.a.)	Estimated total property operating costs (% p.a.)
	Investment fee (total)	Investment management	Other investment-related costs	Total transaction costs	Costs included in investment fee	Costs not included in investment fee	Costs not included in investment fee	Costs not included in investment fee
	= A + B	A	B	= C + D	C	D		
Conservative	<b>0.35</b>	0.25	0.10	<b>0.10</b>	0.05	0.05	<b>0.01</b>	<b>0.08</b>
Moderate	<b>0.48</b>	0.34	0.14	<b>0.13</b>	0.07	0.06	<b>0.01</b>	<b>0.13</b>
Balanced (MySuper)	<b>0.56</b>	0.41	0.15	<b>0.14</b>	0.08	0.06	<b>0.01</b>	<b>0.17</b>
Growth	<b>0.58</b>	0.43	0.15	<b>0.17</b>	0.10	0.07	<b>0.01</b>	<b>0.18</b>
Cash	<b>0.08</b>	0.07	0.01	<b>0.02</b>	0.01	0.01	<b>n/a</b>	<b>n/a</b>
Fixed Interest	<b>0.28</b>	0.18	0.10	<b>0.07</b>	0.02	0.05	<b>n/a</b>	<b>n/a</b>
Australian Shares	<b>0.47</b>	0.30	0.17	<b>0.30</b>	0.16	0.14	<b>n/a</b>	<b>n/a</b>
International Shares	<b>0.47</b>	0.39	0.08	<b>0.16</b>	0.06	0.10	<b>n/a</b>	<b>n/a</b>

All fees and costs in Table 1 are estimates of investment fees and costs paid in the 12 months to 30 June 2018. They are estimates of gross fees, and the transaction, borrowing and property operating costs include the net effect of GST.

These fees and costs are not deducted directly from your account balance but are deducted from the assets of each investment option and factored into unit price calculations and investment returns. Please also remember that the actual fees applied to your account may be less than the gross figures disclosed above, as any tax benefit the fund is entitled to may be passed on to you.

Important: Table 1 does not include all fees that apply to your account. For example, administration fees are also payable, as well as insurance premiums if you have insurance cover through Accumulate Plus. You should refer to the PDS for details of all fees that may apply to your account. Please note there are no changes to other fee types or amounts at this time.

You can find additional information on fees and costs in the PDS and 'Reference Guide: Fees and other costs' available from [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets) or by calling us on 1800 023 938.

**Important note:** The investment fees shown in Table 1 are estimates of fees and costs paid in the 12 months to 30 June 2018. Past costs are not a reliable indicator of future costs, and costs may vary from year to year depending on the allocation of assets between the fund's investment managers and the investment activity of each manager. As a guide, we estimate that the investment fee for 2018-19 may vary as follows:

- The Conservative, Moderate, Balanced, Growth, Cash, Fixed Interest and International Shares options may vary by up to 0.05% from the figures in Table 1. For example, the investment fee for 2018-19 for the Balanced option could be between 0.51% p.a. and 0.61% p.a.
- The Australian Shares option may vary by up to 0.10% from the figures in Table 1 above. For example, the investment fee for 2018-19 for the Australian Shares option could be between 0.37% p.a. and 0.57% p.a.

The estimates for 2018-19 are based on information available as at 1 July 2018 but may be updated in the future. You should refer to 'Reference Guide: Fees and other costs' available from [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets) for the most up-to-date fee estimates for Accumulate Plus.



**Table 2: Estimates of investment fees and related costs for the 12 months to 30 June 2017**

Investment option	Estimated investment fee (% p.a.)			Estimated transaction costs (% p.a.)			Estimated borrowing costs (% p.a.)	Estimated total property operating costs (% p.a.)
	Investment fee (total) = A + B	Investment management component A	Other investment-related costs component B	Total transaction costs = C + D	Costs already included in investment fee C	Costs not included in investment fee D	Costs not included in investment fee	Costs not included in investment fee
Conservative	<b>0.28</b>	0.23	0.05	<b>0.11</b>	0.03	0.08	<b>0</b>	<b>0.09</b>
Moderate	<b>0.39</b>	0.31	0.08	<b>0.16</b>	0.05	0.11	<b>0</b>	<b>0.18</b>
Balanced (MySuper)	<b>0.48</b>	0.38	0.10	<b>0.18</b>	0.06	0.12	<b>0.01</b>	<b>0.26</b>
Growth	<b>0.53</b>	0.42	0.11	<b>0.19</b>	0.07	0.12	<b>0.01</b>	<b>0.29</b>
Cash	<b>0.06</b>	0.06	0	<b>0.01</b>	0	0.01	<b>n/a</b>	<b>n/a</b>
Fixed Interest	<b>0.20</b>	0.17	0.03	<b>0.11</b>	0.02	0.09	<b>n/a</b>	<b>n/a</b>
Australian Shares	<b>0.53</b>	0.34	0.19	<b>0.41</b>	0.19	0.22	<b>n/a</b>	<b>n/a</b>
International Shares	<b>0.48</b>	0.40	0.08	<b>0.14</b>	0.07	0.07	<b>n/a</b>	<b>n/a</b>

### Update to standard measure of investment risk for Fixed Interest investment option

The standard risk measure (SRM) for the Fixed Interest investment option has decreased from a rating of Medium-High (5) to a rating of Medium (4). This change is reflected in the new PDS and 'Reference Guide: Invest your account' issued on 1 July 2018.

The SRM is a forward-looking estimate based on assumptions about the asset classes that make up each investment option. As a future estimate, it does not necessarily reflect the historic risk and return experience of an investment option. This change in SRM for the Fixed Interest option reflects our current assessment and estimation of future risk.

There is no change to the SRM for any other investment options.


## Commonwealth Bank Group Super


### Accumulate Plus members

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

 **1800 023 928** from 8am to 7pm (AEST/AEDT) Monday to Friday

 [oursuperfund@cba.com.au](mailto:oursuperfund@cba.com.au)

 GPO Box 4758, Sydney NSW 2001

 (02) 9303 7700

**Our Super Fund**

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GroupSuper/1296/0818