

# MEETING OUR INVESTMENT OBJECTIVES & RESPONDING TO CLIMATE CHANGE

2017 has been another eventful year on many fronts, but one thing that has remained consistent for our fund is the commitment to meeting our investment objectives for our members.

An important part of our investment philosophy is delivering sustainable long-term returns that achieve the investment objective that we set for each option. As at 30 November 2017<sup>1</sup>, we had met or exceeded the objective set for each diversified option.

Focussing on consistently meeting objectives means we can aim to give you more certainty around your likely returns, which helps you choose the right investment options to suit your needs.

With this in mind, and remaining aware of challenges in today's lower return environment, we are comfortable that our investment beliefs and strategies will continue to deliver the right outcomes for our members over the long term.

**Important note:** – You should remember that past investment performance is not a reliable indicator of future performance.

<sup>1</sup> November 2017 figures were the most current results as at the date this information was prepared.

## Our climate change position statement

The following Climate Change Position Statement was approved by the Board in October 2017. Commonwealth Bank Group Super accepts the scientific consensus that climate change is occurring and that it is expected to have an impact on members' superannuation as the regulatory, environmental, economic and social impacts of climate change grow over time.

We believe we have a part to play in limiting climate change to below two degrees Celsius in line with the Paris Agreement, and support the global transition to net zero emissions by 2050.

We believe climate change and the transition to a low carbon global economy will lead to both risks and opportunities in relation to the fund's investments. We will build our understanding and capability of climate change implications in relation to the fund's investments to ensure we manage the associated risks and opportunities.

### To play our role in addressing climate change, we aim to:

- ◆ integrate climate change risks and opportunities into our investment decision-making
- ◆ integrate climate change into the management of our investment partners, including investment managers and consultants
- ◆ measure and monitor portfolio exposures including carbon emissions from our investments and analyse scenarios and stress test our investment portfolio resilience
- ◆ participate in public reporting such as the Asset Owners' Disclosure Project
- ◆ commit towards keeping members informed and enhance our disclosure regarding climate change.

We will keep you informed as we progress through our climate change-related capabilities.



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# SUPER CHANGES ARE HERE

## INVESTMENT OBJECTIVE CHANGES

The investment objectives for two of our options have recently changed.

The **Fixed Interest** option's investment objective is to achieve an average return (before applicable taxes and fees) that exceeds the composite benchmark, as determined by the trustee, from time to time over a 3-year period. The composite benchmark as part of this objective changed on 26 September 2017 as follows:

- ◆ **Old benchmark:** A composite of (i) 80% weighted towards underlying fixed interest manager benchmarks comprising Bloomberg AusBond Composite Bond Index (45%), Bloomberg AusBond Inflation Index (15%), Barclays Capital Global Aggregate Hedged (25%) and CPI plus 3.5% over rolling 3 years (15%), and (ii) 20% weighted towards Bloomberg AusBond Bank Bill Index.
- ◆ **New benchmark:** A composite of (i) 80% weighted towards underlying fixed interest manager benchmarks comprising Bloomberg AusBond Composite Bond Index (45%), Bloomberg AusBond Govt Inflation Index (15%), Barclays Capital Global Aggregate Hedged (25%) and Bloomberg AusBond Bank Bill Index (15%), and (ii) 20% weighted towards Bloomberg AusBond Bank Bill Index.

With the recent change to our strategic currency hedging, the **International Shares** option's investment objective changed on 28 September 2017 as follows:

- ◆ **Old benchmark:** To achieve an average return (before applicable taxes and fees) that exceeds that of the MSCI All Countries World ex Australia 50% hedged index with dividends reinvested over a 5-year period.

- ◆ **New benchmark:** To achieve an average return (before applicable taxes and fees) that exceeds that of the MSCI All Countries World ex Australia 25% hedged to Australian dollars index with dividends reinvested over a 5-year period.

For more information on investment objectives, refer to our 'Reference Guide: Invest your account' for Accumulate Plus, available from [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets).

### Regulatory changes to how fees are disclosed

You may have noticed some changes to how fees are disclosed on our Product Disclosure Statements (PDS) and the Reference Guide: Fees and other costs. You will also see similar changes to fee disclosure on your benefit statement.

Superannuation funds were required to implement disclosure changes by 30 September 2017 to the fees and costs information provided to super and pension members.

Importantly, **these are not new or increased costs**, simply changes to what needs to be disclosed.

You can find the Accumulate Plus Member Booklet (PDS) and Reference Guide: Fees and other costs at [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets).





## DID YOU KNOW ABOUT CBA'S EMPLOYEE INCOME PROTECTION POLICY?

Income protection, which is also sometimes known as salary continuance, is designed to provide you with a monthly payment if you have to stop work due to an injury or illness.

The Commonwealth Bank Group announced a new CBA Employee Income Protection (CBA EIP) policy effective 1 December 2017. While employed by the Group you may be covered by the CBA EIP policy.

If you are currently employed by the Group and have Salary Continuance cover through your Accumulate Plus account or anywhere else, please take a moment to understand what the employer's EIP may mean for you.

You should be aware that, generally, when you have multiple income protection and/or salary continuation policies you will not be able to claim the full benefit amount from each policy due to income offset provisions. Income offset provisions reduce the benefit payable by income received from other sources.

If you are covered by the CBA EIP policy and you decide to cancel your Accumulate Plus Salary Continuance cover on or before 28 February 2018, there is a one-off offer to refund the premiums you have paid from 1 December 2017 until the date of cancellation.

### More information on Salary Continuance in Accumulate Plus

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

### Did you know that when you leave the Group you can apply to transfer CBA EIP cover into Accumulate Plus

- ◆ Visit our 'How do I...?' page at [oursuperfund.com.au/transfercbaeip](http://oursuperfund.com.au/transfercbaeip)

### If you need help or advice

In making a decision that is appropriate for you about cancelling or keeping your Salary Continuance cover in Accumulate Plus you may want to seek financial advice.

Our Advice Essentials\* team may be able to help assess your personal circumstances. There is no cost to you to use this service where it applies to your insurance cover in our fund. A fee may apply if advice is provided outside this scope – the adviser will let you know beforehand if this is the case.

Call us on 1800 023 928 and ask to speak with the Advice team. If you already have a licensed financial adviser (or would like to find your own) then you also have the option to have the fees you agree with that adviser for advice about your account in our fund deducted from your account balance.

### New chair to lead the fund

In November 2017 we farewelled our long-time board director and Chair, Neil Cochrane, who stepped down after eight plus years. We are immensely proud of, and grateful for, his strong and thoughtful leadership and dedicated service to our members and our fund.

We are delighted to welcome Rosemary Vilgan as our new Chair from November 2017. Rosemary has been an independent director on the Board since February 2017 and is an experienced executive and non-executive director with a clear focus on, and dedication to, our members. We look forward to Rosemary's leadership, and to her continuing Neil's legacy of commitment to great outcomes for members.





## REACHING OUT TO MEMBERS WITH 'SUPER' SEMINARS

This year we expanded our communication to members with a series of seminars, designed to 'start a conversation' and help members learn more about how they can maximise their super and plan for their future.

A key focus of these seminars was supporting conversations with members about achieving financial wellbeing. To provide a broader view, we partnered with financial planners from Commonwealth Financial Planning and CFP Pathways who responded to questions from our member attendees during each session.

There were three streams of seminars, 'Financial wellbeing for women', 'Maximising your super' and 'Preparing for retirement' and sessions were held in the Sydney CBD and surrounding area. It was great to see so many members engaged and keen to learn more about their super!

### Check out some comments from members who attended:

*"It gave me some good info about Group Super tools I wasn't aware of and also has prompted me to seek some financial advice."*

*"It was relevant and really helpful."*

*"Very useful seminar. Gave me a lot to think about and some strategies / tips."*

### Tell us what you think!

Our work in developing this pilot program of seminars and subsequent feedback from attendees suggests that we're on to a good thing. Do you agree? Do you have more to say on how we do seminars or topics you want to hear about? If so, then we'd love to hear from you.

Email your comments and suggestions to [oursuperfund@cba.com.au](mailto:oursuperfund@cba.com.au). Your input can help shape this initiative for the future!

## 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 financial advice for you can go a long way in helping you make the most of your retirement.

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](http://oursuperfund.com.au) under 'Help & advice options > Seeking financial advice'.

You also have the option 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](http://oursuperfund.com.au/advice).

### Commonwealth Bank Group Super

#### Accumulate Plus and Retirement Access members

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**Our** Super Fund

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GroupSuper/1265/1217