

**“IT HAS BEEN A SUCCESSFUL YEAR FOR OUR FUND, WITH DELIVERY ON OUR COMMITMENTS TO YOU CONTINUING TO BE OUR CORE FOCUS.”**



A note from Neil Cochrane,  
 Chairman, Trustee Board

## HIGHLIGHTS OF 2016-17

Maintaining our position as a strong and competitive fund committed to your financial wellbeing for retirement is something we take very seriously. This is because it's essential that we continue to meet your evolving needs. Highlights of this year include:

- ◆ Investment strategy improvements that have increased the diversity of our fund's assets and our ability to actively manage our investments with the goal to consistently achieve our investment objectives
- ◆ Consistently achieving the **highest ratings** from three major industry rating agencies, and for the first time earning the top score in a member satisfaction survey across a pool of 21 superannuation funds.

We will continue to work conscientiously on our products and services, our investment performance and industry benchmarking, so that you may feel confident with your fund and that you will be well-supported now and in the future.

### Committed to your financial wellbeing

Following on from our successful participation in the Commonwealth Bank Group's AdvantAGE program to help reach and educate Group employees on the value of super and advice, we are in the development stages of a new national seminar program for our fund. This program will be designed to provide you with knowledge and tips for your super, retirement planning and other financial education topics to help you maximise your financial wellbeing now and for the future. Stay tuned for more details on this exciting program later in 2017.

### Super changes are here

There have been significant changes to the superannuation system since the 2016-17 Federal Budget announcement. Now that most of these changes have been legislated, it is important to understand more about them and how they may affect you. I encourage you to view the details on page 2, or online at [oursuperfund.com.au/2017reforms](http://oursuperfund.com.au/2017reforms).

### Fond farewells and warm welcomes

This year we farewelled our long-time Chief Investment Officer, Gerard Parlevliet, who retired after an exemplary 38 years of service to the Commonwealth Bank Group. In his over 20 years with our super fund, he remained dedicated to the financial wellbeing of our members and shaped our current investment philosophy and strategy. We are extremely grateful for his invaluable contribution to the fund and wish him a happy and successful future.

Our fund's board of directors continues to evolve and change in line with our membership. Our board of directors now comprises three independent, three employer-appointed, and three member-elected directors who bring with them a deep level of expertise and wisdom. For more details on our board of directors, visit the 'about us' section of our website [oursuperfund.com.au](http://oursuperfund.com.au).

### Thank you

As always, we are grateful to you for entrusting us to look after your pension. With the support and dedication of the fund's executive management and their teams, our administrators, fund managers and all of our service providers, we look forward to continuing to help you with your financial wellbeing.

**READ MORE  
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# SUPER CHANGES ARE HERE



## The 2016-17 Federal Budget brought with it some significant changes to the superannuation system.

Some of these changes represent a significant departure from the previous rules, so it's a good idea to know more about what these changes mean.

One of the key reforms to keep in mind is that individuals with a total super balance of \$1.6 million or above will have some of their access to super-related tax concession reduced. If your balance exceeds \$1.6m your non-concessional contributions cap will be nil for the financial year. In this case, any contributions you make for that year will be excess non-concessional contributions and only \$1.6m of superannuation assets will be allowed to be transferred into a retirement phase pension product.

### Super reforms include:

#### Removal of the investment earnings tax exemption for transition to retirement income streams (TRIS)

- ◆ Investment earnings supporting a TRIS are no longer tax-exempt from 1 July 2017.

#### Other changes

- ◆ Increasing the eligibility to be able to claim a tax deduction for personal after-tax contribution

How the changes apply to your own individual circumstances may require financial or tax advice in this changing environment. We encourage you to take this opportunity to assess your situation, and if you'd like more advice on contributions to your account, you can talk to our Advice Essentials team – when it relates to your account with us, this service is provided at generally no cost to you.

You can visit [oursuperfund.com.au/advice](http://oursuperfund.com.au/advice) to find out more about the **advice options available to you as a member** of our fund, or to help you find an adviser through the Commonwealth Bank Group or via a professional industry association.

For more information on other super changes, please visit [oursuperfund.com.au/2017reforms](http://oursuperfund.com.au/2017reforms) or the **Australian Taxation Office (ATO) website** ([ato.gov.au/individuals/super/super-changes/](http://ato.gov.au/individuals/super/super-changes/)).

### How to plan for retirement when the rules keep changing

The Association of Superannuation Funds of Australia (ASFA) issues a 'retirement standard' each year, estimating what people may need for a 'modest' retirement lifestyle and a 'comfortable' retirement lifestyle. Currently for a couple this equates to \$34,855 and \$59,971 respectively; so it comes down to how you want your super to fund your lifestyle at the point of retirement...And not necessarily a specific amount like the new cap.

You can always speak to a financial adviser for more in-depth advice to help you make decisions about your financial future. For more information, visit [oursuperfund.com.au/advice](http://oursuperfund.com.au/advice).



## THINKING ABOUT GETTING ADVICE?

**It's always worth taking a good look at your finances for retirement and your plans for your life after work. Getting advice from a professional could improve your future financial wellbeing and peace of mind.**

Whether you're already in retirement or it's just around the corner, it's not too late to seek financial advice to review your financial situation.

Nearing or being in retirement can mean you have different financial priorities than those who are still building their wealth. Seeing an adviser could help you make the most of your retirement savings with strategies like taking advantage of tax-effective measures, maximising home loan arrangements and possibly lower insurance premiums. The right strategy for you will depend on your particular situation.

Maybe what matters more to you than the strategies is the comfort of knowing you've had a professional to look at your situation and objectives and provide you with a personalised plan to get you closer to achieving your goals. Maybe you'd value advice to help you make the right decisions for you and your family, and avoid decisions that may have a negative effect on your plan.

Financial advice could go a long way to providing both the peace of mind and those tangible and measurable benefits that you might be looking for to really make the most of your retirement.

To help you find out more about how financial advice can help, whatever stage of life you're in, 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 have the fees of your chosen licensed financial adviser for advice about your account in our fund deducted from your account balance. For more information (including terms and conditions), visit [oursuperfund.com.au/advice](https://oursuperfund.com.au/advice).



# INVESTMENT MARKET UPDATE

The content is not advice; it provides general information only and does not take into account your individual objectives, financial situation or needs. You should assess whether the information is appropriate for you and consider talking with your financial adviser before making an investment decision. Past performance is not a reliable indicator of future performance.

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## What are the markets telling us about what lies ahead? Where are the opportunities, and what challenges does the constantly evolving global political climate present?

### Global economic update

For the first time in many years, the International Monetary Fund, in April, upgraded its forecasts for global economic growth. The GDP growth of 3.5 per cent is now expected in 2017 and 3.6 per cent in 2018. This compares to growth of 3.1 per cent in 2016.

Global growth is being driven by advanced economies such as the United States, Europe and Japan, while Emerging Economies have also improved. Growth in global trade and manufacturing sectors has helped improve the global picture.

The reality of governing and the partisan nature of Congress has seen the ambitious timeline for President Trump's expansionary and stimulatory policies pushed out and wound back. Trump's tax reform package is now not expected to be legislated until early 2018, with the \$1 trillion US dollar infrastructure package likely to occur after this. Also negatively impacting financial markets was news around political developments surrounding President Trump. This generally saw bond yields lower, the US dollar weaker and profit taking in equity markets.

In the UK, economic growth was moderate over late 2016 and well into 2017. Prime Minister Theresa May's gamble to hold an early election failed, with her Conservative party failing to regain a majority, with a coalition now formed. This has the potential to impact Brexit negotiations.



The news in Europe though has focused on political developments. Elections in the Netherlands and France have resulted in market friendly outcomes, contrary to some expectations. Emmanuel Macron was victorious in the French Presidential election, and aims to reform the French economy and further integrate Europe. German elections are due to take place later in 2017 – where Angela Merkel will be trying to get re-elected for her fourth term.

In China, economic growth reaccelerated at the start of the year. Much of this growth continues to be driven by the property and infrastructure sector with some expectations that monetary conditions could begin to be tightened at the margin in mid-2017. However, stability in economic growth is expected for the remainder of 2017 ahead of key leadership changes late this year.

Commodity prices generally had a mixed time of it through the first half of 2017. The oil price traded in a wide range, and as at 13 June the price of oil was 46.5 US dollars per barrel. There remains concerns over rising inventories and production in the US, while on the positive side OPEC production cuts were extended by a further nine months.



## Australian economy update

After a strong end to 2016, the Australian economy weakened in early 2017, with the annual economic growth rate falling to 1.7 per cent, down from 2.4 per cent at year end. Weather impacted the exports of key commodities while residential construction was also weak. On the positive, economic growth continues to be driven by exports of services, especially tourism and education. Other positives include infrastructure spending – especially in NSW and some pick-up in business investment.

Importantly, income growth picked up in the economy through company profits but as of yet has not filtered through into wage growth, which is at a record low level. As a result, consumer spending is weak, despite some improvements in employment growth.

Inflation in Australia returned to the Reserve Bank of Australia's (RBA) target band, with the March quarter running at an annual rate of 2.1 per cent. The RBA has left the official interest rate on hold at 1.5 per cent since August 2016 and is focused on three factors; a soft labour market, inflation just in the target band and concerns around household debt.

In terms of the markets, locally the ASX200 was up around 2 per cent from 30 June to 13 June. Over the same time period, the Australian dollar traded in a range around 72 – 77 US cents, driven largely by moves in the price of iron ore, and expectations of tax reform in the US. The Australian dollar settled into levels around 75 US cents into financial year end and could continue around this level into year end.

For previous market updates, visit the investments section of our website.





## HAPPINESS AND KEEPING MENTALLY HEALTHY IN RETIREMENT

**Making the switch from working to retirement – whatever that may look like for you – can be an exhilarating experience. But it can sometimes present unforeseen challenges that can have serious emotional impact.**

The feeling of a lack of purpose and even sheer boredom can unexpectedly affect many retirees, leaving them more vulnerable to depression and other health issues if not addressed early. The very real challenges that can arise with the onset of retirement can leave some retirees unprepared and apprehensive about the future. But it doesn't have to be that way – there are lots of things you can do to keep your mind robust and your happiness intact as you go through this very different (and potentially very rewarding!) stage of life.

### **Talk, talk, talk...and think**

It's an unfortunate aspect of today's society that many people still view talking about depression or mental health as something shameful or taboo. But the conversation is slowly picking up momentum, thanks to awareness raised by charitable organisations dedicated to supporting those with mental health issues. Never feel that you can't talk to someone about what you're feeling – it could mean a world of difference.

Keeping your brain active is another vitally important aspect of maintaining and boosting your mental health in retirement. The brain is a muscle, and like all muscles it needs a good workout now and then to stay fit. And it's not just about doing puzzles or reading regularly, important as those aspects are. Simple things like regular walks to stimulate the brain and body, and everyday brain exercises such as remembering names or phone numbers, or doing calculations in your head, can have very positive effects on your mental wellbeing.





### **The times are a-changin'**

It can be quite disconcerting for someone to move from a routine of busy commuting, working, short weekends and occasional holidays to suddenly be home on a full-time basis. This can engender feelings of not being able to contribute to society or the economy, which can lead down the path of 'having no purpose'. Psychologically this can be very damaging to one's sense of self, and ultimately jeopardise what the individual has worked so hard for their whole career.

It can also affect personal relationships – for example, a new and somewhat foreign routine of full time 'togetherness' can sometimes make the adjustment difficult for a couple unaccustomed to spending so much time with each other.

But now is the time to embrace that change, and look towards things that really matter to you – create a new and more powerful purpose to your everyday life. You might find yourself contributing to society through volunteering or part-time work in a new field, or pursuing a personal interest you haven't had time for. Travel often tops this list!

If you're not too familiar with computers, mobile phone apps or the internet, now is a great time to learn more – it's a great way to stay in touch with family, along with

keeping up to date on current events and accessing all kinds of information to help you stay connected to anything and everything.

### **Make it meaningful**

Whether it's gardening, sports, socialising, art, games, reading, writing, family, travel, volunteering or any number of other interests that ignite your passion, retirees tend to need that little something to kickstart their engine for the day.

Take some time to focus on what is meaningful to you, and have fun discovering how to bring it to life in the way that best suits your needs and goals.

### **Looking ahead with confidence**

Don't be shy about putting some structure, busy-ness and mindfulness into your retirement – make it your new 'career' and put in the same effort you did in your working life. Do what you love, talk to people, learn new things and maintain your important relationships. And above all, look after yourself – you've got a new and exciting stage of life ahead of you, and it's your time to enjoy. Now that's worth getting out of bed for!

If you feel you need help with understanding and managing mental illness, you could call Lifeline on 13 11 14, Beyond Blue on 1300 224 636 or visit your GP for information.





## MEMBER NOTICES

### New Retirement Access PDS and Reference Guides issued 1 July 2017

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 2017, we issued a new **product disclosure statement** (PDS) titled 'Member Guide for Retirement Access'. The key changes include:

- ◆ Updated content to reflect changes as a result of the 2016 Federal Budget reforms surrounding transition to retirement and retirement phase pensions
- ◆ Introduction of taxable investment options for Retirement Access TRIS accounts.

Effective 1 July 2017 we issued updated **Accumulate Plus and Retirement Access reference guides**, including:

- ◆ 'Reference Guide: Boost your super' – changes to reflect legislative/tax-related changes to super effective 1 July 2017

- ◆ 'Reference Guide: How super is taxed' – changes to reflect legislative/tax-related changes to super effective 1 July 2017
- ◆ 'Reference Guide: Insurance cover' – changes to reflect additional definitions surrounding pre-disability income calculation and clarification of gross vs net rates to premium tables.

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

### 2016-17 Annual Report online

Our 2016-17 Annual Report will be available to view or download from November from our website [oursuperfund.com.au](http://oursuperfund.com.au).

Please contact us if 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.

### Commonwealth Bank Group Super

#### Accumulate Plus and Retirement Access members

-  [oursuperfund.com.au](http://oursuperfund.com.au)
-  1800 023 928 from 8am to 7pm (Sydney time) Monday to Friday
-  [oursuperfund@cba.com.au](mailto:oursuperfund@cba.com.au)
-  GPO Box 4758, Sydney NSW 2001
-  (02) 9303 7700

#### Defined Benefit members and pensioners

-  [oursuperfund.com.au](http://oursuperfund.com.au)
-  1800 135 970 from 8am to 7pm (Sydney time) Monday to Friday
-  via online member login
-  GPO Box 4303, Melbourne VIC 3001
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**Our Super Fund**

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